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CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

TREASURE ISLAND DEVELOPMENT AUTHORITY
MEETING AGENDA
April 14, 2004 1:30 P.M.

DOCUMENTS DEPT.

APR - 9 2004

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1 Dr. Carlton Goodlett Place

Gavin Newsom, Mayor

DIRECTORS

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William Fazande, Vice-Chair
John Elberling
Monique Moyer
Susan Po-Rufino
Marcia Rosen
Douglas Wong

Annemarie Conroy, Executive Director
Peter Summerville, Commission Secretary

ORDER OF BUSINESS

1. Call to Order and Roll Call
2. Approval of Minutes of March 10, 2004*(Action Item)*
3. Report by Executive Director Annemarie Conroy (*Discussion Item*)
   - Report on access to Treasure Island including public use last month
   - Status of environmental clean up
   - Report on short-term leases
   - Report on San Francisco-Oakland Bay Bridge/Caltrans issues
   - Report on Treasure Island community issues
   - Report on Citizens Advisory Board
   - Report on TIHDI
   - Financial Report
   - Legislation/hearings affecting Treasure Island
4. Communications (*Discussion Item*)
5. Report by the Treasure Island/Yerba Buena Island Citizen's Advisory Board (*Discussion Item*)

6. Ongoing Business by Directors (*Discussion Item*)
7. General Public Comment (*Discussion Item*) ****In addition to General Public Comment (Item #7), Public Comment will be held during each item on the agenda.****
8. Resolution Approving an Amendment to the Bylaws of the Treasure Island Development Authority to Add the Member of the Board of Supervisors who Represents the District in Which Treasure Island is Located as an Ex-Officio Member of the Treasure Island Development Authority Board of Directors (*Action Item*)
9. Resolution Approving a Third Amendment to the Treasure Island Citizen's Advisory Board Bylaws (*Action Item*)
10. Presentation of Geotechnical Peer Review Prepared by Treasure Island Development Authority (*Discussion Item*)
11. Resolution Authorizing the Executive Director to Execute a First Amendment to the Contract with Toolworks, Inc, a TIHDI Member Organization, to Extend the Term of the Contract Through June 30, 2004 (*Action Item*)
12. Resolution Authorizing the Executive Director to Execute a First Amendment to the Contract with Rubicon Enterprises, Inc. for Landscaping and Grounds Maintenance Services to Extend the Term of the Contract from the Period April 2003 through March 2004 to the End of the Current Fiscal Year, June 30, 2004, and to Add Two Sections Regarding Notification of Limitations on Contributions and the Prohibition on Preservative-treated Wood Containing Arsenic. (*Action Item*)
13. Resolution Authorizing the Executive Director to Approve a Fourth Amendment to the Contract with URS Corporation, Inc. for Consulting Services Related to the Preparation of an Environmental Impact Report for Former Naval Station Treasure Island to Add Notification of Limitations on Contributions and a Prohibition on the Use of Preservative-treated Wood Containing Arsenic. (*Action Item*)
14. Resolution Authorizing the Authority to Extend the Term of the Master Lease with the United States Navy for Property Which Includes the Gymnasium, the Shipshape, the Life Learning Academy and Other Related Buildings (*Action Item*)
15. Resolution Authorizing the Executive Director to Execute an Amendment to the Master License with the U.S. Navy for Use of the Cable Television System (*Action Item*)
16. Resolution Authorizing the Executive Director to Execute an Amendment to the Sublease with Rex Liu for the Photo Booth to Extend the Term of the Month-to-Month Sublease for an Additional Twenty-One Months (*Action Item*)
17. Resolution Authorizing the Executive Director to Enter into the Fourth Amendment for the Sublease with San Francisco Little League for Use of the Little League Ball Field for an Additional Twenty-One Month Term. (*Action Item*)
18. Resolution Authorizing the Executive Director to Execute a Third Amendment to the Sublease with Delancey Street Foundation to Extend the Term, Reflect Tenant Improvement Costs, Adjust Rent Provisions, and Require Reporting of Annual Gross Receipts (*Action Item*)
19. Resolution Authorizing the Executive Director to Execute a Second Amendment to the Interim Sublease with Treasure Island Enterprises to Modify Provisions Related to the Improvement Allowance and Accounting of Outstanding Balance (*Action Item*)
20. Discussion of Exclusive Negotiating Agreement with Treasure Island Enterprises for Redevelopment of the Treasure Island Marina (*Discussion Item*)

3 1223 06447 1148

21. Discussion of Future Agenda Items by Directors (*Discussion Item*)
22. Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

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TREASURE ISLAND WEBSITE

Check out the Treasure Island website at www.sfgov.org/treasureisland to find out about activities and facilities on Treasure Island, special events venues for rent, or to review the Treasure Island Development Authority's agendas and minutes.

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For more information on your rights under the Sunshine Ordinance [Chapter 67 of the San Francisco Administrative Code] or to report a violation of the ordinance, contact Donna Hall by mail at Sunshine Ordinance Task Force at City Hall, Room 409, 1 Carlton B. Goodlett Place, San Francisco, CA 94102-4683. The Task Force's telephone and fax numbers are (415) 554-7724 and (415) 554-5163 (fax) or by email at Donna_Hall@sfgov.org. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org/bdsupvrs/sunshine/ordinance.

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Peter Summerville/TIDA/SFGOV
04/06/2004 11:48 AM

To
cc
bcc
Subject Fw: TI Property Management and Community Development Issues

>Date: Sat, 28 Feb 2004 13:11:15 -0800 (PST)
>From: YBI Island <ybi_girl@yahoo.com>
>Subject: TI Property Management and Community Development Issues
>To: Claudinec@earthlink.net
>Cc: jelberling@todco.org, bfazande@ualocal38.org, PORUF@aol.com,
> Marcia.Rosen@sfgov.org, Douglas_Wong@sfport.com, Gerald.Green@sfgov.org,
> Gavin.Newsom@sfgov.org, Joe.Caruso@sfgov.org, Chris.Daly@sfgov.org,
> Matt.Gonzalez@sfgov.org, Jake.McGoldrick@sfgov.org,
Aaron.Peskin@sfgov.org,
> Bevan.Dufty@sfgov.org, Michela.Alioto-Pier@sfgov.org,
> Sophie.Maxwell@sfgov.org, Tom.Ammiano@sfgov.org, Fiona.Ma@sfgov.org,
> Tony.Hall@sfgov.org, Gerardo.Sandoval@sfgov.org
>
>Saturday, February 28, 2004
>
>Claudine Cheng, Chair, TI Development Authority
>Cybertrade Strategies Group
>Claudinec@earthlink.net
>
>Dear Ms. Cheng
>
>I'm a resident of the Treasure Island Community and
>have been living here since 1999. I moved here to
>escape the unaffordable rents, the dirt, and the crime
>in SF. Treasure Island, in 1999, represented a perfect
>community experiment and I was excited to join and
>looked forward to belonging to a colorful (in all
>respects) community.
>
>Unfortunately, due to the City's neglect it has become
>merely a temporary stop for displaced and
>disenfranchised people and families, rather than an
>example for other new diverse communities. I am
>saddened and dismayed by how its evolution as a
>community is being handled. The approaches taken to
>date are fragmented and fairly ineffective.
>
>While still lower than many parts of SF, crime is a
>real problem. The vast majority of the petty crimes:
>break-ins, assaults, gang activity, and
>intimidation/harassment could be effectively resolved
>by providing a community location (Café? Library?) and
>by cracking down on existing KNOWN problem locations
>and troublemakers - a small portion of the island
>residents and Job Core participants. (Hostility in an
>isolated environment only serves to magnify ANY
>threatening behavior - we have nowhere to go for
>protection: we, largely, can't afford to move and jobs
>are still being threatened by a sluggish economy.)
>
>A meeting place - similar to the SF version of Delancy
>Street Crossroad's Café with a Public Library book

>delivery service, would provide both social and
>community infrastructure currently unavailable. (Yes,
>I know we have a "Crossroads" café, but it is poorly
>run and caters to the movie studios and tourists,
>rather than the locals - plus the "product" is no
>where near the quality (and service) of the SF
>Crossroads.)
>
>We even have a fully operational Gym that could be
>used, but for now remains empty as this experimental
>community disintegrates. We could be a 'shining
>example' for all large cities, but integrated,
>involved communities are built ONLY when people CAN
>get together to meet, plan and socialize. Kids can
>learn and thrive where there are constructive and
>enriching educational, recreational and cultural
>opportunities available to them.
>
>I am writing to urge your ACTIVE support in helping
>Treasure Island realize its potential to be a model
>San Francisco neighborhood and work to remove the
>bureaucratic barriers TODAY!
>
>As discussed at our Community Meeting held on Feb
>18th, 2004, this is our very modest wish list:
>
>1. Open Community Cafe / Coffee House / Neighborhood
>Gathering Space
>2. Finish and Open the Gymnasium - the YMCA could use
>a new location!
>3. Install Up-to-Code Playground Equipment
>(Secure Navy's approval and have relevant agencies
>pave the way for installation).
>4. Provide an Art / Gallery / Performance Space (This
>could be combined with a cafe).
>5. Provide Organized Sports for Children (especially
>in the Summer, after school and on weekends; enlist
>resident volunteers to coach).
>6. Do everything in your power to prevent crimes from
>being committed on the Island.
>
>Please recognize that, as a current resident, I have
>priority in purchasing housing once the development is
>complete. So, rather than view us as a temporary
>community, please work with us in a meaningful way to
>help lift the bureaucratic barriers standing in the
>way of creating a community on Treasure Island,
>including additional educational, recreational and
>cultural opportunities for young people.
>
>The legacy of how we've been managed will be reflected
>in the TI community for years to come, and directly
>reflects your care, concern, and professional talent.
>
>Please help us create a better, safer community of
>which we can all be proud.
>
>Sincerely,
>
>Marie Watts

>_____
>Treasure Island Resident since 1999
>(415) 398-7732
>
>CC:
>John Elberling
>Executive Drector
>Tenants and Owners Development Corporation
>jelberling@todco.org
>
>William Fazande (Vice Chair, TI Development Authority)
>U.A. Local 38
>bfazande@ualocal38.org
>
>Susan Po-Rufino
>Aero Dynamix
>PORUF@aol.com
>
>Marcia Rosen
>Director, San Francisco Redevelopment Agency
>Marcia.Rosen@sfgov.org
>
>Doug Wong
>Director, Port of San Francisco
>Douglas_Wong@sfport.com
>
>San Francisco City Officials:
>
>Gerald.Green@sfgov.org
>Gavin.Newsom@sfgov.org
>Joe.Caruso@sfgov.org
>Chris.Daly@sfgov.org
>Matt.Gonzalez@sfgov.org
>Jake.McGoldrick@sfgov.org
>Aaron.Peskin@sfgov.org
>Bevan.Dufty@sfgov.org
>Michela.Alioto-Pier@sfgov.org
>Sophie.Maxwell@sfgov.org
>Tom.Ammiano@sfgov.org
>Fiona.Ma@sfgov.org
>Tony.Hall@sfgov.org
>Gerardo.Sandoval@sfgov.org
>
>
>_____
>Do you Yahoo!?
>Get better spam protection with Yahoo! Mail.
>http://antispam.yahoo.com/tools

Peter Summerville/TIDA/SFGOV
04/06/2004 11:51 AM

To
cc
bcc
Subject Fw: Improving Treasure Island

>From: "Bart B." <venture4life@earthlink.net>
>To: <Aaron.Peskin@sfgov.org>,
> <Alex.Tourk@sfgov.org>,
> <Bevan.Dufty@sfgov.org>,
> <Chris.Daly@sfgov.org>,
> <Fiona.Ma@sfgov.org>,
> <Gavin.Newsom@sfgov.org>,
> <Gerardo.Sandoval@sfgov.org>,
> <Jake.McGoldrick@sfgov.org>,
> <Joe.Caruso@sfgov.org>,
> <Joyce.Newstat@sfgov.org>,
> <Kawa@sfgov.org>,
> <Matt.Gonzalez@sfgov.org>,
> <Sophie.Maxwell@sfgov.org>,
> <Tom.Ammiano@sfgov.org>,
> <Tony.Hall@sfgov.org>
>Cc: <claudinec@earthlink.net>
>Subject: Improving Treasure Island
>Date: Mon, 22 Mar 2004 14:50:54 -0800
>Organization: Venture Enterprises
>X-Mailer: Microsoft Office Outlook, Build 11.0.5510
>Thread-Index: AcQQYB9WiqJfMbNQRl2iFOF5mumEVg==
>
>
>
>SF Supervisors and Mayoral Staff:
>
>Im a resident of Treasure Island, and Im extremely dismayed by how its
>evolution as a community is being handled. The approaches taken to date
>are fragmented and fairly ineffective.
>
>Crime is a real problem on Treasure Island since civilians began moving
>here in 1999. These are mostly crimes of property, but also include
>break-ins, assaults, gang activity, intimidation, and domestic violence.
>Nearly ALL the vacant apartments on T.I. have been vandalized. A crack den
>was recently uncovered, and young people have been spotted smoking crack
>at bus stops. A marijuana 'farm' was discovered in an unoccupied court.
>
>Basic social and community infrastructure elements are lacking on Treasure
>Island.
>
>There are no libraries, playgrounds, community centers, cafes (open in the
>afternoons or evenings), gymnasiums, recreational centers, art /
>performance spaces, etc. not even a central community bulletin board.
>These are neighborhood activities and community facilities that EVERY
>neighborhood in San Francisco takes for granted!
>
>Communities are built and pride in neighborhood can be achievedwhen people
>can get together to meet, plan and socialize. Kids can learn and thrive
>where there are constructive and enriching educational, recreational and
>cultural opportunities available to them.
>

>Treasure Island currently lacks basic community-building activities and
>neighborhood facilities especially for the youngest residentsthat are
>taken for granted by San Franciscans living in neighborhoods on the mainland.
>
>I am writing to urge your active support in helping Treasure Island
>realize its potential to be a model San Francisco neighborhood. And that
>you work with us to remove the bureaucratic barriers (and seeming lack of
>political will)that impedes efforts to improve the quality of life on T.I.
>Wed like our neighborhood to be a terrific community. Not in 10, 15 or 20
>years but NOW!
>
>We could begin with some simple community improvements that are taken for
>granted by neighborhoods in mainlandSan Francisco. A very modest wish list
>follows:
>
>-Open Community Cafe / Coffee House / Neighborhood Gathering Space
>(Theres LOTS of unused space on Treasure Island. Alternatively, expand
>Crossroads Cafes hours).
>
>-Install Up-to-Code Playground Equipment
>(Secure Navys approval and have relevant agencies pave the way for
>installation).
>
>-Provide an Art, Photo Gallery / Performance Space (This could be combined
>with a cafe).
>
>-Provide Organized Sports for Children (especially in the Summer, after
>school and on weekends;
>enlist resident volunteers to coach).
>
>-Finish the long-awaited Gymnasium
>
>-Do everything in your power to prevent vandalism and other crimes from
>being committed on the Island.
>
>I ask that you, as an officer of the City and County of San Francisco,
>please stop viewing T.I. residents as interimtenants on an Island out
>there.We ask that you work with us in a meaningful way to help lift the
>bureaucratic barriers that stand in the way of creating genuine
>quality-of-life improvements on Treasure Island, including additional
>educational, recreational and cultural opportunities for young people.
>
>Please help us create a better, safer community of which we can all be proud.
>
>Respectfully,
>
>
>
>TB Bogess
>
>Treasure Island
>(415) 407-4946
>

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

April 8, 2004

Ms. Carisa Harris-Adamson
Treasure Island Sailing Center
3739 Balboa Street, PMB 188
San Francisco, CA 94121

Dear Carisa:

Per our conversations, this letter summarizes the Authority's accounting for the outstanding balance owed by the Treasure Island Sailing Center (TISC) to the Authority. The TISC currently has a balance due of $593.42 as a result of unpaid CAM charges.

As you are aware, the original sublease with the TISC was intended to last for two years from Nov 1, 1999 to October 31, 2001. The rent was set at $2,500 per month and the total rent credit was set at $60,000 (24 months x $2,500 per month). The Authority recognizes that the TISC in fact expended more than $185,000 in capital expenditures to improve the premises.

The Authority subsequently entered into a no-cost sublease with the TISC Foundation, authorized by the Authority Board of Directors at its December 12, 2001 meeting. Authority staff recognize that it had always been intended that the no-cost sublease would commence directly following the termination date of the original sublease. However, the extension to the sublease was not approved by the Authority until December 12, 2001. As a result, there was a period of 1 ½ months during which the TISC was technically accruing rent payable to the Authority, and not covered by the rent credit. This amount totals $3,499.96.

It is difficult to tell precisely why there was a delay between the subleases or why the commencement date of the second sublease was not stated as the day following the termination date of the original sublease. However, in light of the fact that the Sailing center has expended over $185,000 in capital expenditures (more than $125,000 of which was not eligible for tenant improvement allowance credit), the Authority believes that this more than offsets the $3,499.96 in rent that is a product of unclear circumstances.

We request that you submit payment in the amount of $593.42 to the Authority within five (5) business days of receipt of this letter. We would also like to take the opportunity to let you and your organization know how much we appreciate and support the public benefit the TISC provides to the Treasure Island/Yerba Buena Island community and the residents of the City and County of San Francisco. Please feel free to contact my staff if you have any questions.

RECYCLED PAPER

Regards,

Annemarie Conroy
Executive Director
Treasure Island Development Authority

Cc: TIDA Board of Directors
Michael Cohen, City Attorney

RECYCLED PAPER

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AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda No: 8 **Meeting Date:** 04/14/2004

Subject: Resolution Approving an Amendment to the Bylaws of the Treasure Island Development Authority to Add the Member of the Board of Supervisors Representing the District in Which Treasure Island is Located as an Ex-Officio Member of the Authority Board of Directors (Action Item)

Staff Contact: Annemarie Conroy, Executive Director
Jack Sylvan, Director of Development
(415) 274-0660

BACKGROUND

On May 2, 1997, the San Francisco Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (Authority). On February 6, 1998, the Board approved the designation of the Authority as a redevelopment agency, pursuant to passage of the Treasure Island Conversion Act of 1997 by the State legislature. On May 20, 1998, the Authority Board of Directors approved and adopted the First Amended and Restated Bylaws of the Authority, which specified that the Authority Board of Directors should consist of between five and seven members appointed by the Mayor.

In 1999, the Board of Supervisors approved Resolution 89-99 urging the Authority to amend its Bylaws to expand membership of the Authority Board of Directors to include three members of the Board of Supervisors as non-voting ex-officio members – the then-sitting President of the Board of Supervisors, the Chair of the committee with jurisdiction over land use, and the Chair of the committee with jurisdiction over Housing – or their designees. The Authority did not amend its Bylaws at that time. Since that time, the City moved to elections of members of the Board of Supervisors by districts. Former Naval Station Treasure Island currently is located within District 6.

Recently, the Board of Supervisors again expressed an interest in having a presence on the Authority Board of Directors. Consultations with representatives from the Board of Supervisors, the Mayor's Office, and the Authority Board of Directors indicate that all parties appear to be of the opinion that one non-voting, ex-officio member is sufficient to represent the interests of the Board of Supervisors and that the ex-officio member should be the Board of Supervisors member representing the District in which Treasure Island is located. The non-voting, ex-officio member could not vote, but could otherwise participate fully and have a voice in the Authority's meetings, in open session or closed. In the event that this member of the Board of Supervisors is unable to attend an Authority Board of Directors meeting, another

member of the Board of Supervisors designated by resolution of the Board of Supervisors would be able to serve as an alternate ex-officio member to the Authority Board of Directors.

EXHIBITS

A Second Amended and Fully Restated Bylaws of the Treasure Island Development Authority

[Amending the Bylaws of the Treasure Island Development Authority.]

Approving an Amendment to the Bylaws of the Treasure Island Development Authority to add the member of the Board of Supervisors who represents the district in which Treasure Island is located as an Ex-Officio member of the Treasure Island Development Authority Board of Directors

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

////

////

WHEREAS, On February 25, 1998, the Board of Directors for the Authority approved and adopted the Bylaws of the Authority, and on May 20, 1998, the Board of Directors for the Authority approved and adopted the First Amended and Restated Bylaws of the Authority; and,

WHEREAS, On February 1, 1999, the Board of Supervisors adopted Resolution No. 89-99, which, among other things, urged the Authority to amend its Bylaws to provide for the addition of non-voting, ex-officio members of the Authority's Board of Directors from amongst the members of the Board of Supervisors; and,

WHEREAS, Upon consideration of the provisions of Resolution No. 89-99, the Authority Board of Directors determined that it would be appropriate to amend the Authority Bylaws to add one ex-officio, non-voting member to the Authority Board of Directors to be filled by (i) the member of the Board of Supervisors who represents the district in which Treasure Island is located, or (ii) in the event that such member of the Board of Supervisors is unable to attend an Authority Board of Directors meeting, another member of the Board of Supervisors designated by resolution of the Board of Supervisors shall serve as an alternate non-voting member to the Authority Board of Directors; now therefore, be it,

RESOLVED, That the Authority Board of Directors is hereby expanded to add one ex-officio, non-voting member to be filled by (i) the member of the Board of Supervisors who represents the district in which Treasure Island is located, or (ii) in the event that such member of the Board of Supervisors is unable to attend an Authority Board of Directors meeting, another member of the Board of Supervisors designated by resolution of the Board of Supervisors shall serve as an alternate non-voting member to the Authority Board of Directors; and,

BE IT FURTHER RESOLVED, That the Authority Board of Directors hereby adopts and approves the Second Amended and Fully Restated Bylaws of the Treasure Island

Development Authority (the "Second Amended Bylaws"), a red-lined copy of which (marked to show changes from the First Amended and Restated Bylaws) is attached to this Resolution as Exhibit A, and the Secretary of the Authority is hereby directed to execute a Certificate of Adoption of said Second Amended Bylaws and insert the Second Amended Bylaws as so certified in the Minute Book of the Authority and to keep a copy of such Minute Book at the principal office of the Authority.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on April 14, 2004.

_____

William Fazande, Secretary

HAMMERMILL PAPER
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SECOND AMENDED AND FULLY RESTATED BYLAWS

OF

TREASURE ISLAND DEVELOPMENT AUTHORITY

(a California Nonprofit Public Benefit Corporation)

ARTICLE I

NAME

The name of this corporation is Treasure Island Development Authority ("Authority").

ARTICLE II

OFFICES

Section 1. **Principle Office.** The Principal office for the transaction of the activities and affairs of the Authority ("Principal Office") shall be located within the City and County of San Francisco. The Principal Office is located at: The Treasure Island Project Office, 401 Palm Avenue, Building 1, Room 237, Treasure Island, San Francisco, California 94130, or at such other place as may from time to time be designated by the Board of Directors of the Authority ("Board").

Section 2. **Change of Address.** The city and county of the Authority's principal office shall not be changed.

Section 3. **Other Offices.** The Board may at any time establish branch or subordinate offices at any place or places where the Authority is qualified to conduct its activities.

ARTICLE III
PURPOSE AND LIMITATIONS

Section 1. **Objectives and Purposes.** Consistent with the Articles of Incorporation of the Authority and the provisions of the Treasure Island Conversion Act of 1997 (amending Section 33492.5 of the California Health and Safety Code and adding Section 2.1 to Chapter 1333 of the Statutes of 1968) (the "Treasure Island Act"), the specific purpose of the Authority is to promote the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of that certain property commonly known as Naval Station Treasure Island, including Treasure Island and Yerba Buena Island, and all tide and submerged lands and rights of access and other appurtenances thereto (the "Base"), for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco (the "City").

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Section 2. Nonpartisan Activities. Consistent with the Articles of Incorporation of the Authority, no substantial part of the activities of the Authority shall consist of lobbying or propaganda, or otherwise attempting to influence legislation, except as provided in Section 501(h) of the Internal Revenue Code of 1986, as amended ("Code") and Section 23704.5 of the California Revenue and Taxation Code. The Authority shall not participate in or intervene in (including publishing or distributing statements) any political campaign on behalf of or in opposition to any candidate for public office.

Section 3. Dedication of Assets. Consistent with the Articles of Incorporation of this corporation, all funds shall be used for the purposes designated in Article III, Section 1 of these Bylaws. No part of the net earnings or assets of this Authority shall inure to the benefit of its Directors, trustees, or officers, or to any private person excepting only the City or the State of California.

ARTICLE IV

MEMBERS

This corporation shall not be deemed to have any "members" within the meaning of Section 5056 of the California Corporations Code. Accordingly, any action that would require approval by the members shall require only approval by the Board. All rights which would otherwise vest in the members shall vest in the Board.

ARTICLE V

DIRECTORS

Section 1. General Corporate Powers. Subject to the provisions and limitations of the California Nonprofit Corporation Law, the Treasure Island Act, and any other applicable laws, the Authority's activities and affairs shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board.

Section 2. Specific Powers. Without prejudice to the general powers set forth in Article V, Section 1 of these Bylaws, but subject to the same limitations and applicable laws, including, to the extent applicable, the Treasure Island Act, the City's Charter and the public trust for commerce, navigation and fisheries, the Directors shall have the power to:

(a) Formulate, evaluate and approve goals, objectives, plans and programs and set policies consistent with the overall objectives of the City and the final reuse plan adopted for the Base regarding the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base.

(b) Appoint and remove, at the pleasure of the Board, all the Authority's officers, agents, and employees; prescribe powers and duties for them that are consistent with law, with the Articles of Incorporation, and with these Bylaws; and fix their compensation and require from them security for faithful performance of their duties.

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(c) Change the principal office or the principal business office from one location in the City to another; cause the Authority to be qualified to conduct its activities in any other state, territory, dependency, or country, and conduct its activities within or outside California.

(d) Adopt and use a corporate seal, and alter the form of the seal.

(e) Submit to the Mayor of the City and County of San Francisco (the "Mayor") and the City's Board of Supervisors an annual budget for their consideration and approve any budget modifications or fund transfers requiring the approval of the Board of Supervisors and the Mayor.

(f) Submit to the Mayor and the City's Legislative Committee and/or Board of Supervisors proposals regarding local, state or federal legislation necessary and appropriate to effectuate the purposes of the Authority, provided, however, neither the Authority nor its Directors, shall engage in any activities which would violate the Articles of Incorporation or the provisions of Article III, Section 2, of these Bylaws.

(g) Establish a Citizens Advisory Committee to advise the Authority and its Directors on issues of public interest regarding the Base.

(h) Act as the Local Reuse Authority for planning and conveyance purposes pursuant to federal base closure law.

(i) Solicit proposals regarding the development of all or portions of the Base consistent with the final reuse plan for the Base adopted by the City's Board of Supervisors.

(j) Solicit charitable contributions for the Authority.

(k) Form Joint Powers Authorities and/or enter into agency agreements with governmental agencies, including without limitation, any department, commission or agency of the City, and contract with such governmental agencies for the performance of services in furtherance of and related to the purposes of the Authority.

(l) Purchase, sell, lease, exchange, transfer, assign, pledge, develop or otherwise acquire or dispose of property located on, comprising of or necessary for the operation of the Base, and approve and enter into agreements or contracts affecting the Base, including without limitation, contracts for the procurement of goods and services (including, without limitation, construction or maintenance contracts), purchase and sale agreements, option agreements, development agreements, leases, permits, grants of easements, management agreements, joint venture or partnership agreements, and agreements with the federal government of the United States of America, the State of California, the City, or any other governmental or quasi-governmental entity (collectively, "Agreements"), and, to the extent required by the Treasure Island Act and the City's Charter, recommend such Agreements to the Mayor and the Board of Supervisors for their respective approval, provided, such Agreements shall be subject to the terms and conditions of Sections 12B and 12C of the San Francisco Administrative Code, and provided further that, any Agreements having a term in excess of

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ten (10) years or anticipated revenues of one million dollars ($1,000,000) or more shall be subject to the additional approval of the Board of Supervisors, by resolution.

(m) Maintain, manage, operate, repair and improve property acquired or controlled by the Authority.

(n) Lay out, open, widen, extend, straighten, establish, change the grade and improve, in whole or in part, rights of way necessary or convenient for the Base and grade, shape, cut, fill, locate and relocate public streets and street improvements.

(o) Insure, or provide for the insurance for, any real or personal property or the operation thereof against risks and hazards, and against liabilities of the Authority or the City or their respective officers, agents and employees.

(p) Act in the corporate name to borrow money or incur indebtedness on behalf of the Authority and cause to be executed and delivered for the Authority's purposes promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation, and other evidence of debt and securities.

(q) Act in the corporate name to invest corporate funds so as to secure a reasonable return on funds not immediately needed for operating expenses or for approved projects, programs or activities.

Section 3. **Duties.** It shall be the duty of the Directors to:

(a) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation of this Authority, or by these Bylaws.

(b) Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties and fix the compensation, if any, of all officers, agents and employees of the Authority.

(c) Supervise all officers, agents and employees of the Authority to assure that their duties are performed properly.

(d) Meet as such times and places as required by these Bylaws.

(e) Register their addresses with the Secretary of the Authority, so that notices of meetings mailed or telegraphed to them at such addresses shall be valid notices thereof.

Section 4. **Number of Directors.** As provided, in the Articles of Incorporation, the Board shall consist of at least five (5) Directors. The authorized number of Directors shall not be less than five (5) nor more than seven (7) until changed by a Bylaw amending this section. The exact number of Directors shall be fixed, within the prescribed limits, by a resolution adopted by the Board. Subject to the above provisions for changing the number of Directors, the authorized number of Directors of the Authority shall be five (5). The Board shall also have one (1) non-voting, Ex-Officio Director who shall be the member of the San Francisco Board of Supervisors who represents the district which includes Treasure Island and Yerba Buena Island or, in the

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event that such member of the Board of Supervisors is unable to attend an Authority Board of Directors meeting, another member of the Board of Supervisors designated by resolution of the Board of Supervisors shall serve as an Alternate Member (who shall also be a non-voting ex-officio member).

Section 5. **Restrictions on Interested Persons as Directors.** No more than forty-nine percent (49%) of the persons serving on the Board may be interested persons. However, any violation of the provisions of this paragraph shall not effect the validity or enforceability of any transaction entered into by the Authority. For purposes of this section, "interested persons" means either:

(a) any person compensated by the Authority for services rendered to it within the previous twelve (12) months, whether as a full-time or part-time employee, independent contractor, or otherwise, excluding any reasonable compensation paid to a Director as Director; or

(b) any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of such person.

Section 6. **Qualification of Directors.** Except for the Ex-Officio Director, Directors shall be selected based on their expertise in the areas of real estate development, urban planning, environmental protection and resource conservation, homeless assistance, financing and other disciplines relevant to the reuse of the Base.

Section 7. **Selection of Directors.** Directors shall be appointed by the Mayor, which as to those Directors appointed by the Mayor who, at the time of such appointment, are Officers of the City and County of San Francisco or Officers of the San Francisco Redevelopment Agency (together, "City Officers"), their appointment(s) shall be effective immediately and remain so, unless rejected by a two-thirds vote of the City's Board of Supervisors within thirty (30) days following transmittal of written notice to the Board of Supervisors of such appointment(s). As to those Directors appointed by the Mayor who are not City Officers, their appointment(s) shall be effective upon the approval of such appointment(s) by a majority of the Board of Supervisors. The Ex-Officio Director shall be appointed as set forth in Section 4 above.

Section 8. **Term of Office of Directors.** The Mayor shall designate one Director who is first appointed to serve a term of two years, two Directors who are first appointed to serve a term of three years, and two four Directors who are first appointed to serve for a term of four years. Thereafter, each Director shall hold office for four years and until a successor has been designated and qualified. Successors for Directors whose terms of office are then expiring shall be appointed by the Mayor. There are no limits on the number of consecutive terms a Director may hold office. The Ex-Officio Director shall be a standing position for the member of the Board of Supervisors who represents the district which includes Treasure Island and Yerba Buena Island. The Alternate Member shall serve only when the Ex-Officio Director is unable to attend and only so long as the Board of Supervisors have not replaced such Alternate Member by resolution.

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Section 9. **Vacancies and Removal.** A vacancy shall be deemed to exist upon the occurrence of the death or resignation of any Director, the declaration by the Board of a vacancy in the office of a Director who has been declared of unsound mind by a final order of court, or convicted of a felony, or has been found by a final order or judgment of any court to have breached any duty under Sections 5230-5238 of the California Corporations Code, or an increase in the number of authorized Directors. Except as provided below, any Director of the Authority may resign at any time by giving written notice to the President, the Secretary, or the Board. A resignation shall be effective upon receipt of written notice by the President, the Secretary, or the Board unless the notice specifies a later time of effectiveness. Except on notice to the Attorney General of California, no Director may resign if the Authority would be left without a duly elected Director or Directors. Notwithstanding the foregoing, the Mayor may remove any Director at any time with or without cause. Any vacancies will be filled by appointment of the Mayor.

Section 10. **Place of Directors' Meetings.** Meetings of the Board shall be held at the principal office of the Authority unless a different place is designated by resolution of the Board or in the notice of such meeting.

Section 11. **Regular Meetings.** The Board by resolution may provide for the holding of regular meetings and may fix the time and place of holding such meetings.

Section 12. **Special Meetings.** Subject to Section 14 of this Article V, below, special meetings of the Board may be called in accordance with the provisions of Section 54956 of the Government Code of the State of California.

Section 13. **Quorum and Manner of Action.** A majority of the total number of authorized Directors shall constitute a quorum for the transaction of business by the Board, except that less than a quorum may adjourn from time to time. No action may be taken by the Board except upon the affirmative vote of a majority of the total number of authorized Directors. Neither the presence of the Ex-Officio Director nor the Alternate Member shall be counted for purposes of determining a quorum.

Section 14. **Notice; Conduct of Meeting.** All meetings of the Board shall be called, noticed, held and conducted subject to the provisions of the Ralph M. Brown Act (Chapter 9 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, being Sections 54950 to 54962 thereof) and the San Francisco Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code). The President or, in his or her absence, the Chief Financial Officer, shall preside at all meetings of the Board.

Section 15. **Compensation of Directors.** No Director shall be entitled to receive any compensation for serving as a Director or as an officer of the Authority, except that any Director or officer may be reimbursed for expenses duly incurred in the performance of duties as Director or officer of the Authority, upon approval of the Board.

Section 16. **Conflict of Interest.** A Director shall excuse himself or herself from any vote upon any matter in which that Director has a financial conflict of interest. The foregoing, however, shall not affect the right of any Director to:

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(a) Make donations to this Authority, or

(b) Vote to fix the reasonable compensation of any Director or officer, including himself or herself, in accordance with the provisions of Section 5235 of California Corporations Code.

Section 17. Loans and Self-Dealing Transactions.

A. Loans. The Authority shall not make any loan of money or property to or guarantee the obligation of any Director or officer; provided however, that the Authority may advance money to a Director or officer of the Authority or any subsidiary for expenses reasonably anticipated to be incurred in performance of the duties of such officer or Director so long as such individual would be entitled to be reimbursed for such expenses absent that advance.

B. Self-Dealing Transactions. The Board shall not approve a self-dealing transaction. A self-dealing transaction is one to which the Authority is a party and in which one or more of the Directors has a material financial interest and which does not meet the requirements of Subsection C below.

C. Exemption Requirements. The following transactions are exempted from the prohibition of Subsection B above:

(1) a transaction which is part of a public or charitable program approved in good faith by the Board without unjustified favoritism and which results in a benefit to one or more Directors or their families only because they are in a class of persons intended to be benefited by the program;

(2) a transaction which has been approved by the California Attorney General before or after it was consummated; and

(3) a transaction which the Board, having knowledge of the material facts concerning the transaction and the Director's interest in the transaction, authorizes before the transaction (by a vote of a majority of the Directors then in office without counting the vote of the interested Director) after considering and in good faith determining, upon reasonable investigation under the circumstances, that (a) the transaction will be entered into by this Authority for its own benefit, (b) the transaction is fair and reasonable as to the Authority, and (c) the Authority could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.

Section 18. Rights. Every Director shall have the absolute right at any reasonable time to inspect the Authority's books, records, documents of every kind, physical properties, and the records of each of its subsidiaries. Such inspection by a Director may be made in person or by an agent or attorney and the right of inspection includes the right to copy and make extracts of documents.

Section 19. State and City Conflict of Interest Laws Applicable. Notwithstanding anything else contained herein, but subject to the terms of the Treasure Island Act and any

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applicable resolutions of the City' Board of Supervisors, including without limitation, Resolution 98-0430, the Authority and its Directors shall be subject, to the extent applicable, to the conflict of interest rules arising under Sections 15.103 and C.8105 of the City's Charter, California Government Code Sections 87100, et. seq. (the "Political Reform Act") and Government Code Sections 1090, et. seq. In addition, the Authority shall adopt a conflict of interest code as required and as provided by Implementing Regulations Section 18730 of the Political Reform Act.

ARTICLE VI

COMMITTEES

Section 1. Committees of Directors. The Board may, by resolution adopted by a majority of the Directors then in office, provided a quorum is present, create one or more committees, each consisting of two or more Directors and no persons who are not Directors, to serve at the pleasure of the Board. Appointments to such committees shall be made by majority vote of the Directors then in office. The Board may appoint one or more Directors as alternate members of any such committee, who may replace any absent member at any meeting. Any such committee, to the extent provided in the Board resolution, shall have all the authority of the Board, except that no committee, regardless of any Board resolution, may:

(a) Approve any action that, under the California Nonprofit Corporation Law, also requires the affirmative vote of the members of a public benefit corporation.

(b) Fill vacancies on the Board or on any committee that has the authority of the Board.

(c) Amend or repeal Bylaws or adopt new Bylaws.

(d) Amend or repeal any resolution of the Board that by its express terms is not so amendable or repealable.

(e) Create any other committees of the Board or appoint the members of committees of the Board.

(f) Approve any self-dealing transaction, except as provided by Section 5233 of the California Corporations Code.

Section 2. Meetings and Action of Committees. Except as otherwise provided in this Article VI, meetings and actions of committees shall be governed by and held and taken in accordance with the provisions of Article V of these Bylaws concerning meetings of Directors, with such changes in the content of those Bylaws as are necessary to substitute the committee and its members for the Board and its members. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board may adopt rules for the governance of any committee not inconsistent with the provisions of these Bylaws or, in the absence of rules adopted by the Board, the committee may adopt such rules.

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ARTICLE VII

OFFICERS

Section 1. **Officers.** The officers of this Authority shall be a President, a Secretary, and a Chief Financial Officer. The Authority may also have, at the Board's discretion, a Chairperson of the Board, one or more Vice Presidents, one or more Assistant Secretaries, one or more Assistant Financial Officers, and such other officers as may be appointed in accordance with Article VII, Section 2 of these Bylaws. Any number of offices may be held by the same person, except that neither the Secretary nor the Chief Financial Officer may serve concurrently as the President. The officers of the Authority, except those appointed under Article VII, Section 2 of these Bylaws, shall be chosen annually by the Board and shall serve at the pleasure of the Board, subject to the rights, if any, of any officer under any contract of employment and, to the extent applicable, the City's Civil Service System, as provided in Article X of the City's Charter.

Section 2. **Other Officers.** The Board may appoint and may authorize, the President, or other officer, to appoint any other officers that the Authority may require. Each officer so appointed shall have the title, hold office for the period, have the authority, and perform the duties specified in the Bylaws or determined by the Board.

Section 3. **Removal of Officers.** Without prejudice to any rights of an officer under any contract of employment, any officer may be removed with or without cause by the Board and also, if the officer was not chosen by the Board, by any officer on whom the Board may confer that power of removal.

Section 4. **Resignation of Officers.** Any officer may resign at any time by giving written notice to the Authority. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified by that notice and unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of this Authority under any contract to which the officer is a party.

Section 5. **Vacancies in Office.** A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled In the manner prescribed in these Bylaws for regular appointments to that office, provided, however, that vacancies need not be filled on an annual basis.

Section 6. **President.** The President shall preside at meetings of the Board and shall exercise and perform such other powers and duties as the Board may assign from time to time.

Section 7. **Vice Presidents.** If the President is absent or disabled, the Vice Presidents, if any, in order of their rank as fixed by the Board, or, if not ranked, a Vice President designated by the Board, shall perform all duties of the President. When so acting, a Vice President shall have all the powers of and be subject to all restrictions on the President. The President shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

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Section 8. **Secretary.** The Secretary shall perform or cause to be performed the following acts:

(a) The Secretary shall keep or cause to be kept, at the Authority's principal officer or such other place as the Board may direct, a book of minutes of all meetings, proceedings, and actions of the Board and of committees of the Board. The minutes of the meetings shall include the time and place that the meeting was held; whether the meeting was annual, regular, or special, and, if special, how authorized; the notice given, written waivers of notice of meeting, written consents to holding meeting, written approvals of minutes of meeting, and unanimous written consents to action of the Board without a meeting, and similarly as to meetings of committees of the Board; and the names of those present at Board and committee meetings.

(b) The Secretary shall keep or cause to be kept, at the principal office in California, a copy of the Articles of Incorporation and Bylaws, as amended to date, and a copy of all certificates filed with the Secretary of State.

(c) The Secretary shall keep or cause to be kept, at the Authority's principal office or at a place determined by resolution of the Board, a record of the Authority's Directors, showing each Director's name and address.

(d) The Secretary shall see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law.

(e) The Secretary shall keep or cause to be kept the corporate seal, if any, in safe custody.

(f) The Secretary shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

Section 9. **Chief Financial Officer.** The Chief Financial Officer shall perform or shall cause to be performed the following acts:

(a) The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records or accounts of the Authority's properties and transaction, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements and prepare an annual budget for submission to the City.

(b) The Chief Financial Officer shall send or cause to be given to the Directors such financial statements and reports as are required to be given by law, by these Bylaws, or by the Board. The books of account shall be open to inspection by any Director at all reasonable times.

(c) The Chief Financial Officer shall prepare and submit or cause to be prepared and submitted any accounting and tax forms as may be required by local, state and federal law.

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(d) The Chief Financial Officer shall deposit, or cause to be deposited, all money and other valuables in the name and to the credit of the Authority.

(e) The Chief Financial Officer shall render or cause to be rendered to the President and the Board, when requested, an account of all transactions as Chief Financial Officer and of the financial condition of the Authority.

(f) If required by the Board, the Chief Financial Officer shall give the Authority a bond in the amount and with the surety or sureties specified by the Board for faithful performance of the duties of the office and for restoration to the Authority of all books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Chief Financial Officer on his or her death, resignation, retirement, or removal from office.

(g) The Chief Financial Officer shall have such other powers and perform such other duties as the Board or the Bylaws may prescribe.

Section 10. **Compensation.** Subject to the budget and fiscal provisions of the City's Charter, officers may receive such compensation from the Authority, if any, for their services as officers, and such reimbursement of expenses, as the Board may recommend by resolution to be just and reasonable as to the Authority at the time that the resolution is adopted.

Section 11. **Execution of Instruments.** Subject to the budget and fiscal provisions of the City's Charter any and all instruments executed in the name of the Authority, including, but not limited to, contracts, agreements, purchase orders, notes, deeds, deeds of trust, mortgages, leases, security agreements, checks and drafts issued, endorsements of checks and drafts received, certificates, applications and reports, shall be executed by one or more officers, employees or agents of the Authority as authorized from time to time by the Board. Such authorization may be general or confined to specific instances. The respective offices and duties thereof as established and defined in this Article VII and by resolution of the Board include, except as otherwise provided, the authority to execute instruments in the name of the Authority when the execution of the instrument is incident to carrying out the duties of the offices.

Section 12. **Checks, Drafts, etc.** Subject to the budget and fiscal provision of the City's Charter, the Board may by resolution authorize from time to time such person or persons as it may designate to sign and/or countersign checks or drafts drawn on the funds of the Authority, and may also by resolution authorize any officer of the Authority to designate from time to time any person or persons to sign and/or countersign checks or drafts drawn on the funds of the Authority.

Section 13. **Agency Agreements.** The Board may by resolution authorize the Authority to enter into joint powers agreements and/or agency agreements with governmental agencies, including without limitation, any department, commission or agency of the City, and contract with such governmental agencies for the performance of services in furtherance of and related to the purposes of the Authority, including, without limitation, the performance of the duties, rights and responsibilities designated to the Officers of the Authority in this Article VII.

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ARTICLE VIII

RECORDS AND REPORTS

Section 1. **Maintenance of Corporate Records.** The Authority shall keep: (a) adequate and correct books and records of accounts; (b) written minutes of the proceedings of the Board and committees of the Board; and (c) a record of each Director's name and address.

Section 2. **Annual Report.** The Board shall cause an annual report to be prepared within 120 days after the end of the Authority's fiscal year (the "Annual Report"). The Annual Report shall contain the following information, in appropriate detail, for the fiscal year:

(a) The assets and liabilities, including trust funds, of the Authority as of the end of the fiscal year.

(b) The principal changes in assets and liabilities, including trust funds.

(c) The revenue or receipts of the Authority, both unrestricted and restricted to particular purposes.

(d) The expenses or disbursements of the Authority, for both general and restricted purposes.

(e) Any information required by California Corporations Code Section 6322.

A copy of the Annual Report and a summary thereof shall be presented to the Mayor and the Board of Supervisors by the President of the Authority within 60 days after the completion of each year's Annual Report.

Section 3. **Board of Supervisors Reports.** The Board shall cause a quarterly report to be presented to the Economic Development, Transportation and Technology Committee of the Board of Supervisors or any successor committee with oversight of the Base describing generally the activities of the Authority for the preceding quarter.

ARTICLE IX

INDEMNIFICATION AND INSURANCE

Section 1. **Right of Indemnity.** The Directors shall not be personally liable for the debts, liabilities, or other obligations of the Authority, including penalties. To the fullest extent permitted by law, the Authority shall indemnify its Directors, officers, employees, and other persons described in Section 5238(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that Section, and including an action by or in the right of the Authority, by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this Article IX, shall have the same meaning as in Section 5238(a) of the California Corporations Code.

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Section 2. **Approval of Indemnity.** On written request to the Board by any person seeking indemnification under Section 5238(b) or Section 5238(c) of the California Corporations Code, the Board shall promptly determine under Section 5238(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 5238(b) or Section 5238(c) has been met and, if so, the Board shall authorize indemnification.

Section 3. **Advancement of Expenses.** To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under Article IX, Sections 1 and 2 of these Bylaws in defending any proceeding covered by those Sections shall be advanced by the Authority before final disposition of the proceeding, on receipt by the Authority of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Authority for those expenses.

Section 4. **Insurance.** The authority shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Directors, officers, employees, and other agents, against any liability asserted against or incurred by any Director, officer, employee, or agent in such capacity, or arising out of the Director's, officer's, employee's, or agent's status as such.

ARTICLE X

MISCELLANEOUS

Section 1. **Fiscal Year.** The fiscal year of this Authority shall begin July 1 and end June 30 of each year, except for the first fiscal year, which shall begin on the date of incorporation and end June 30, 1998.

Section 2. **Corporate Seal.** This Authority may have a seal which shall be specified by resolution of the Board. The seal, if any, shall be affixed to all corporate instruments, but failure to affix it shall not affect the validity of the instrument.

Section 3. **Amendment of Bylaws.** New Bylaws may be adopted or these Bylaws may be amended or repealed by approval or written consent of a majority of the Directors. No amendment to these Bylaws nor any new Bylaws shall be valid or become effective without the written consent of the Mayor.

Section 4. **Construction and Definitions.** Unless the context requires otherwise, the general provisions, rules or construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these Bylaws. Without limiting the generality of the above, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a legal entity and a natural person.

Section 5. **Gambling and Gaming.** No card rooms, casinos or any other type of gambling or gaming activities (except solely for the sale of LOTTO tickets or other programs run

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by the California State Lottery System to the extent otherwise permitted in San Francisco) shall be permitted on the Base, even if the Constitution of the State of California is amended to permit such gambling or gaming activities.

CONSENT OF THE MAYOR

I, Gavin Newsom, the Mayor of the City and County of San Francisco, on this _____ day of April, 2004, hereby consent to and approve of these Second Amended and Fully Restated Bylaws of the Treasure Island Development Authority and any changes or amendments herein from the Bylaws of the Treasure Island Development Authority first adopted on February 25, 1998.

_____
Mayor Gavin Newsom

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of Treasure Island Development Authority, a California nonprofit public benefit corporation, that the above Bylaws, consisting of fourteen (14) pages, are the Second Amended and Fully Restated Bylaws of this Authority as adopted by the Authority on April __, 2004, and that they have not been amended or modified since that date.

Executed on April __, 2004 at the City Hall in San Francisco, California.

_____
William Fazande, Secretary

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AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda Item No. 9 **April 14, 2004**

Subject: Resolution Approving the Third Amendment of the Bylaws for the Treasure Island Yerba Buena Island Citizen's Advisory Board (CAB) as Related to the Change of Regular Meeting Time.

Staff Contact/Phone: Annemarie Conroy, Executive Director
Frishtah Afifi, Project Coordinator
(415) 274-0660

SUMMARY OF PROPOSED ACTION
This item is seeking approval of the Authority for the Third Amendment of the Bylaws for the Treasure/Yerba Buena Island Citizen's Advisory Board (CAB). (Exhibit A)

BACKGROUND:
Members of the CAB were first appointed by the Mayor and the Board of Supervisors in September 2000. In December 2000, the Authority approved the Bylaws at a regularly scheduled meeting of the Treasure Island Development Authority Board of the Directors.

In March of 2002, the Authority approved the First Amendment to the Bylaws and on January 8, 2003 the Authority approved the Second Amendment to the CAB bylaws. Both amendments related to member attendance and earning credit for missed meetings through attendance of special meetings and subcommittees.

Section 1. of Article IV, of CAB Bylaws state "the first CAB meeting shall be January 18, 2001, and thereafter the CAB shall meet once a month on the third (3rd) Thursday of each month at 6:00 p.m. at a place to be agreed upon by the members of the CAB."

The proposed Third amendment would change CAB's regular meeting time from the third (3rd) Thursday of each month at 6:00 pm to once a month at a date, time and place approved by the members of the CAB. The Third amendment is being introduced to make the Bylaws more general than specific and to allow the CAB to meet the week before the TIDA Board meeting. The CAB is now permanently scheduled to meet the first Tuesday of each month. If it becomes necessary to cancel the regular scheduled meetings, with the adoption of the third (3rd) amendment to the Bylaws, it will no longer be necessary to post a cancellation notice for the original meeting and a special meeting notice for the rescheduled meeting.

RECOMMENDATION:
The staff recommends the approval of the Third Amendment to the CAB Bylaws.

[TREASURE ISLAND/YERBA BUENA ISLAND CITIZENS ADVISORY BOARD BYLAWS THIRD AMENDMENT TO BYLAWS-RELATING TO MEETING TIME.]

APPROVING THE THIRD AMENDMENT OF THE BYLAWS FOR THE TREASURE ISLAND/YERBA BUENA ISLAND CITIZENS ADVISORY BOARD.

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over former Naval Station Treasure Island (the "Base"), and (ii), with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Tidelands Trust prohibits the sale of Tidelands Trust property into private ownership, generally requires that Tidelands Trust property be accessible to the public and encourages public oriented uses of trust property that, among other things, attract people to the waterfront, promote public recreation, protect habitat and preserve open space; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and

WHEREAS, On February 25, 1998, the Board of Directors of the Authority passed a resolution calling for the appointment of a citizens advisory committee; and,

WHEREAS, Members of the citizens advisory committee have been appointed by the Mayor and the Board of Supervisors of the City and County of San Francisco in accordance with Board of Supervisors Resolution No. 89-99; and

WHEREAS, On December 13, 2000, Board of Directors for the Authority approved the bylaws for the Treasure Island/Yerba Buena Island Citizens Advisory Board, (the "CAB"); and

WHEREAS, the CAB has met monthly since December 2000, and has appointed members of the CAB to serve on various subcommittees; and

WHEREAS, the Board of Directors for the Authority approved the First Amendment to CAB bylaws on March 13, 2002 and the Second Amendment to the CAB bylaws on January 8, 2003, both amendments relating to member attendance; and

WHEREAS, the Third Amendment to the CAB bylaws allows the change of the regular meeting time for the CAB from the third Thursday of each month at 6:00 pm to once a month at a date, time and place to be approved by members of the CAB in accordance with Article IV, Section 4 of the bylaws; and

WHEREAS, the Third Amendment to the CAB bylaws was approved by the CAB members at a properly noticed meeting on April 6, 2004; and

WHEREAS, The Executive Director and the members of CAB recommend and urge that the Board of Directors for the Authority approve the Third Amendment to the CAB bylaws; now therefore, be it

RESOLVED,That the Board of Directors hereby approves the Third Amendment to the CAB bylaws in the form attached hereto as Exhibit A.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on April 14, 2004.

_____

William Fazande, Secretary

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PROPOSED THIRD AMENDMENT TO BYLAWS
Voted on: 04-April-2004

Proposal to amend the Treasure Island/Yerba Buena Island Citizens Advisory Board Bylaws as follows:

Article IV, Section 1 of the Bylaws is proposed to be amended as:

"Section 1. The first CAB meeting shall be January 18, 2001, and thereafter the CAB shall meet once a month at a date, time, and place approved by the members of the CAB in accordance with Article IV, Section 4 of the Bylaws."

Deleted: on the third (3rd) Thursday of each month at 6:00 p.m.

Deleted: to be agreed upon

Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Presentation of Geotechnical Peer Review Prepared by URS for the Treasure Island Development Authority (Discussion Item)

Agenda Item No. 10
Meeting of April 14, 2004

Contact/Phone: Annemarie Conroy, Executive Director
Jack Sylvan, Director of Development
274-0660

BACKGROUND

On April 9, 2003 the Authority authorized the execution of an Exclusive Negotiating Agreement (ENA) with Treasure Island Community Development (TICD) for the redevelopment of former Naval Station Treasure Island. The ENA Schedule of Performance outlined a schedule regarding the negotiation and preparation of documents necessary to implement the redevelopment. Based on review of the TICD development proposal by the Treasure Island/Yerba Buena Island Citizen's Advisory Board (TI/YBI CAB) and Authority staff, this Schedule of Performance identified several key studies to be conducted as an initial step in the process due to their central nature to the financial and regulatory structure of any future development plan and agreement. A peer review of the geotechnical analysis previously conducted by Treadwell & Rollo was one of the key studies outlined in the ENA.

The Authority contracted with URS to conduct the geotechnical peer review of geotechnical analysis previously conducted by Treadwell & Rollo for both the Authority and for TICD. Authority staff reviewed and approved the scope of work for the study. The findings of the evaluation were presented by URS at the February 11, 2003 TI/YBI CAB meeting. The TI/YBI CAB took no action on the item. The completed report is included as Attachment A.

SUMMARY OF EVALUATION

URS reviewed and analyzed four reports conducted by Treadwell & Rollo, consisting of the following:

- Geotechnical Report, Treasure Island Reuse Project, July 26, 1995
- Slope Stability Evaluation, Treasure Island Reuse Project, February 15, 2000
- Geotechnical Consultation, Proposed Wetlands at Northwest Corner of Treasure Island, Treasure Island Development, May 17, 2002
- Geotechnical Consultation, Conceptual Foundation Systems for Buildings at Treasure Island, Treasure Island Development, June 6, 2002

The central focus of URS's scope of work was to evaluate the conclusions and recommendations from the Treadwell & Rollo reports for appropriateness for the reuse proposal submitted by TICD and being reviewed by the Authority.

Generally, URS sufficiently concurred with Treadwell & Rollo's technical approach and recommendations to suggest that development negotiations move forward between the Authority and TICD based on the existing geotechnical analysis to date. URS also recommended additional evaluations and updates be conducted as part of the engineering evaluation of the final development plans. Authority staff intend to include these scopes of work within the development planning and negotiation process currently underway.

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URS

FINAL REPORT
PEER REVIEW OF TREADWELL & ROLLO REPORTS
TREASURE ISLAND REUSE PROJECT
SAN FRANCISCO, CALIFORNIA

January 12, 2004

URS

January 12, 2004
Job No. 28066677

Treasure Island Development Authority
410 Avenue of the Palms, Bldg. 1, Second Floor
San Francisco, California 94130

Attention: Mr. Jack Sylvan

Dear Mr. Sylvan:

Final Report
Peer Review of
Treadwell & Rollo Reports
Treasure Island Reuse Project
San Francisco, California

1.0 INTRODUCTION

This final report presents the URS peer review of four Treadwell & Rollo, Inc. reports that support ongoing design for the Treasure Island Reuse Project. URS completed this peer review in accordance with our Agreement dated October 1, 2003 with the Treasure Island Development Authority, City and County of San Francisco, with our proposal dated July 29, 2003, and with the "Request for Services" faxed to URS on July 22, 2003.

As part of the peer review process, we submitted a list of questions to Treadwell & Rollo to clarify several technical issues, and Treadwell & Rollo responded to these questions through written and telephone correspondence.

We then submitted a draft report to the Treasure Island Development Authority and Treadwell & Rollo for review and comment, and we incorporated these comments in the report herein.

For the peer review, the Treasure Island Development Authority provided URS with the following Treadwell & Rollo reports:

- Geotechnical Report, Treasure Island Reuse Project, Treasure Island, California, dated July 26, 1995.

- Slope Stability Evaluation, Treasure Island Reuse Project, San Francisco, California, dated February 15, 2000.

- Geotechnical Consultation, Proposed Wetlands at Northwest Corner of Treasure Island, Treasure Island Development, San Francisco, California, dated May 17, 2002.

- Geotechnical Consultation, Conceptual Foundation Systems for Buildings at Treasure Island, Treasure Island Development, San Francisco, California, dated June 6, 2002.

Following this introduction, Section 2.0 describes the scope of work, and Section 3.0 presents our conclusions and recommendations in reference to our list of questions for each report. Section 4.0 summarizes the recommendations. Appendix A contains the URS list of questions for Treadwell & Rollo in a URS letter dated December 3, 2003, and Appendix B presents the Treadwell & Rollo responses to URS' list of questions in Treadwell & Rollo letter dated December 15, 2003. Appendix C includes Treadwell & Rollo's supplemental responses to URS' list of questions in a Treadwell & Rollo letter dated January 9, 2004.

2.0 SCOPE OF WORK

The scope of work consisted of three tasks: (1) Review Geotechnical Documents, (2) Evaluation and Finding, and (3) Distribution and Finalization of Peer Review Report.

Task No. 1: Review Geotechnical Documents

URS senior geotechnical engineers reviewed the four Treadwell & Rollo reports that the Authority provided to URS. These four reports are listed in Section 1.0, Introduction. In order to clarify several technical issues during the course of our review, we developed and submitted a list of questions addressed to Treadwell & Rollo in a letter dated December 3, 2003.

On December 15, 2003, Treadwell & Rollo submitted to URS a letter containing responses to the URS list of questions.

URS reviewed the Treadwell & Rollo responses and telephoned Treadwell & Rollo on December 19 and 22, 2003 in order to clarify a few remaining technical issues.

Task No. 2: Evaluation and Finding

This task included evaluating the Treadwell & Rollo conclusions and recommendations presented in their four reports for appropriateness of the ground improvement techniques proposed to address liquefaction-induced lateral spreading, earthquake-induced deep-seated slope stability failure or large deformations and seismic settlement, and for appropriateness of the conceptual foundation support systems proposed for the buildings.

Under this task, we prepared this report, which presents our conclusions and recommendations. Overall, URS agrees, with some qualifications, with the conclusions and recommendations presented in the four Treadwell & Rollo reports.

Task No. 3: Distribution and Finalization of Peer Review Report

As part of this task, we submitted a draft report to the Treasure Island Development Authority and Treadwell & Rollo for review and comment. We received comments from the Authority in a facsimile dated January 6, 2004, and we received comments from Treadwell & Rollo in a letter dated January 9, 2004. We incorporated these comments into the report herein. We have submitted four copies of this report to the Authority and one copy to Treadwell & Rollo. As requested by Mr. Jack Sylvan in a telephone call dated December 18, 2003, we plan to attend a meeting of the Citizens' Advisory Board on January 15, 2004.

3.0 CONCLUSIONS AND RECOMMENDATIONS

This section presents the conclusions of our peer review of the four Treadwell & Rollo reports. For each report, we briefly summarize the scope of the report and present our general conclusions regarding the report. We then repeat the URS questions for that report in italics and provide comments on Treadwell & Rollo's response. Appendix A also presents the URS list of

questions, and Appendix B lists the full Treadwell & Rollo response to the questions. Appendix C contains supplemental responses from Treadwell & Rollo.

Following our comment on each Treadwell & Rollo response to the question, we present one of the following specific conclusions in boldface type:

- **Agreement** – URS agrees or is satisfied with Treadwell & Rollo's response.
- **Agreement with Qualifications** – URS partially agrees or substantially agrees with Treadwell & Rollo's response.

For each **Agreement with Qualifications** conclusion, we provide our explanation and/or recommendation.

3.1 TREADWELL & ROLLO, 1995, "GEOTECHNICAL REPORT, TREASURE ISLAND REUSE PROJECT, TREASURE ISLAND, CALIFORNIA."

This report presents a brief history of Yerba Buena Island and Treasure Island, current surface elevations, subsurface conditions based on previous reports and investigations, a review and conclusions regarding subsidence, local seismicity, and performance of the island during the 1989 Loma Prieta Earthquake. The report then discusses the geologic and geotechnical hazards on the islands and recommended soil improvement techniques for mitigating the effects of the hazards.

URS agrees with the technical approach adopted by Treadwell & Rollo to evaluate the geologic and geotechnical hazards at the time they prepared the report. However, some of the geotechnical analysis techniques have advanced since the report was prepared in 1995. Therefore, we recommend that the Treasure Island Development Authority request an updated evaluation of the geologic and geotechnical hazards based on developments in geotechnical analysis techniques since 1995. For example, we refer to Youd et al. (2002) with regard to the prediction of lateral spread displacement using the revised multilinear regression method (MLR).

As noted by Treadwell & Rollo in their responses to the URS list of questions, the conclusions and recommendations regarding stability of the slope at the southeastern and northwestern

portions of the island are superceded by conclusions and recommendations presented in Treadwell & Rollo's "Slope Stability Evaluation" report dated February 15, 2000.

URS conclusions regarding specific questions are presented below.

Question 1: Section 3.2, p. 11:

The report states the "current elevations are the result of many years of ground settlement." Since the stated range of elevations for the dike (+10.5 to +16 feet) is above and below the initial elevation (+14 feet), are current dike elevations also the result of additional fill?

Treadwell & Rollo stated that they "believe additional rock was placed to achieve the current grades."

Agreement

Question 2: Section 5.0, p. 15:

The report states that where Bay Mud thickness is greater than 60 feet (northwest corner), the Bay Mud is underconsolidated and the settlement rate may be on the order of 1 foot over the next 50 years. Can you provide more background information (e.g., calculations and interpretation of Table 2) to help explain this settlement prediction?

Treadwell & Rollo provided the soil properties and assumptions used to calculate the future settlements.

Agreement

Question 3: Section 8.1.1, p. 19:

The report suggests five areas on Yerba Buena Island (YBI) as potentially unstable and that a geotechnical investigation should be performed if development is planned in the vicinity of these five locations. Based on geologic maps, there are other areas on YBI that have steep slopes and soil cover. Why were these other areas excluded from the recommendation for further geotechnical investigation?

Treadwell & Rollo identified the five locations as areas where there is a higher than normal probability for slope instability. In addition, they stated in their response that because the Reuse Plan calls for a land swap between Yerba Buena Island and Treasure Island, development on steep soil-covered slopes on Yerba Buena Island will be restricted with the exception of proposed beach trails. They also mention that "site-specific geological/ geotechnical investigations should be performed for any proposed improvement on YBI…"

Agreement with Qualifications – We recommend that Treadwell & Rollo update the relevant 1995 report section to incorporate their response to this question.:

Question 4: Section 8.2.1, p. 20:

The report concludes peak accelerations could be on the order of 0.4g based on design earthquakes. How did you arrive at this conclusion (i.e., what attenuation relationships did you use)? Research published in 1994 (Rollins et al.) estimated a PGA = 0.45g based on attenuation relations. The most recent (2003) California Probabilistic Shaking Map (www.consrv.ca.gov/cgs/rghm/psha) shows a PGA = 0.47g.

Treadwell & Rollo provided the basis, including methodology, for the chosen design level PGA of 0.4g for Treasure Island. Their analysis was based on SHAKE analyses and attenuation/amplification of soft soil sites. They recommend performing site-specific response analyses to model each site on Treasure Island where subsurface conditions differ substantially from the original SHAKE analysis performed by Geomatrix.

Agreement

Question 5: Section 8.2.2.1, p. 20:

What method did you use to estimate settlement on the order one foot to several feet for structures that lose bearing support as a result of liquefaction?

Treadwell & Rollo estimated the settlement based on empirical evidence outlined by a Youd and Hoose (1978) report that described historic deformations resulting from liquefaction in Northern California.

Agreement

Question 6: Section 8.2.2.2, p. 20:

The report states that liquefied sand can settle on the order of 3 to 24 inches, However, Figure B-3 reports the range from 3 to 22 inches. Can you provide a typical calculation package for this analysis?

Treadwell & Rollo clarify that the correct range of settlement is 3 to 22 inches. They provided a typical spreadsheet for liquefaction-induced settlement based on two methods (Ishihara and Yoshimine, 1990; Tokimatsu and Seed, 1984).

Agreement

Question 7: Section 8.2.2.3, p. 20-21:

The report states the method for predicting lateral spread (Bartlett and Youd's 1995 MRL model) was evolving and results should be considered qualitative. Then report presents order of magnitude lateral spread displacement for the island based on the MLR model analysis and engineering judgment. Can you be more specific as to what information other that the MLR analysis you used to determine the order of magnitude displacements?

Treadwell & Rollo stated that they used the MLR model and reviewed a report, Youd and Hoose (1978), that described "historic lateral spread deformations that have resulted in significant ground displacement and building damage."

Agreement with Qualification – We recommend conducting an update of the evaluation of the lateral spread hazard based on advances in the MLR model (Youd et al., 2002)

Question 8: Section 8.2.4, p. 23:

What method did you use to estimate 5 feet of slope movement due to deep failures in the recent bay mud? Did you conduct an analysis of dike movement based on Makdisi & Seed (1978)? Were slope deformations evaluated using residual strengths in the liquefied soils?

Treadwell & Rollo employed the Makdisi and Seed (1977, 1978) method to estimate 5 feet of slope movement. Residual strengths in the liquefied soils were not used in the evaluation of the potential for deep-seated rotational failures because the Makdisi and Seed method is a simplified procedure that is restricted in application to soils that experience

very little reduction in strength due to cyclic loading. They state that conclusions regarding slope stability in the 1995 report are superceded by the conclusions in the Slope Stability Evaluation report dated February 15, 2000.

Agree with Qualifications - We understand that Treadwell & Rollo used the Makdisi and Seed (1978) approach to estimate deformations in the 1995 report, and that this method is restricted to soils that experience very little reduction in strength due to cyclic loading. We also understand that Treadwell & Rollo used the Makdisi and Seed approach to estimate deformations in the 2000 report (see Question 1, Treadwell & Rollo 2000 report). However, to estimate the potential for deep-seated rotational failure at the northwestern portion of the island where the Bay Mud layer is thickest, we believe it is important to take into account the residual undrained shear strength of the liquefiable soils, as this may more closely represent the actual strength of the soil during a major earthquake. In addition, it is possible that the Bay Mud may experience degradation in shear strength due to earthquake motions. Therefore, we recommend re-evaluating the potential for deep-seated rotational failures at the northwest portion of the island using a method, such as Seed and Harder (1990) or dynamic methods, that can account for the reduced shear strengths during earthquakes of both the liquefiable fill and shoal deposits and the Bay Mud.:

Question 9: Section 9.1.2, p. 24:

The report suggests dynamic compaction as a method to densify artificial fill on YBI. On page 26 in the last paragraph of section 9.2.2.1, the report states "Since dynamic compaction is potentially damaging..." Is this also applicable for dynamic compaction work on YBI?

As with Question 3, Treadwell & Rollo stated that "it is unlikely that significant development of YBI shoreline areas will be allowed." And that they "anticipate that the application of this method of soil improvement will be very limited." In telephone correspondence on December 22, 2003, Treadwell & Rollo stated that dynamic compaction at potential development sites on Yerba Buena Island is potentially damaging to existing structures on Yerba Buena Island.

Agreement

Question 10: Section 9.2.2.3, p. 27:

The report states a proposed new rock berm would replace the existing berm. Do you mean to state that a proposed new rock berm would be constructed outboard of the existing rock berm?

Treadwell & Rollo stated that "the proposed rock berm could either replace or incorporate the existing berm, or the proposed berm could be constructed outboard of the existing one." They further state that due to permit restrictions associated with the expansion of TI, it is likely that only two alternatives will be either replacing the existing berm or incorporating the existing berm into the proposed earth structure.

Agreement

Question 11: Section 9.2.3, p. 28-29:

The report seems to suggest that it is not cost-effective to modify the ground beneath existing buildings, but that the existing buildings should be lifted in order to construct new mat foundations. The existing buildings with the new mat foundations would have a reduced risk of collapse, but may not be functional after an earthquake. It may be appropriate to state the actual cost of improving the ground beneath existing buildings in order to eliminate the risk of collapse. It seems that it may not be worth the effort to only add a mat foundation if the existing building could still collapse. Were cost comparisons performed for ground modification beneath existing buildings and for lifting buildings to install a new mat foundation?

Treadwell & Rollo stated that cost comparisons were not performed. They also stated that some ground modification techniques beneath existing structures may induce a new cycle of consolidation settlement, which may cause damage to existing structures. They further state that "site-specific foundation investigations and engineering analyses can be performed to better estimate the amount of settlement associated with various soil improvement techniques."

Agreement with Qualifications – We endorse Treadwell & Rollo's suggestion of site-specific foundation investigations and engineering analyses for proposed development.

We reiterate Treadwell & Rollo's statement that replacing an existing building's foundation system with a rigid mat would "tend to reduce the risk of building collapse," but "the buildings may not be functional after the earthquake." Therefore, we recommend performing a cost comparison analysis to determine the optimum foundation scheme for each new development. We also recommend performing a Probable Maximum Loss (PML) study to determine the risk of damage from earthquake shaking. See Section 3.4, pages 15-16, for further information on PML studies.

Question 12: Section 9.2.3.2, p. 30:

The report states that new loads typically would cause 1 to 2 feet of settlement over 20 to 30 years. What range of new loads would cause these typical settlements?

Treadwell & Rollo provided the load information and their assumptions they used to calculate the settlement.

Agreement

3.2 TREADWELL & ROLLO, 2000, "SLOPE STABILITY EVALUATION, TREASURE ISLAND REUSE PROJECT, SAN FRANCISCO, CALIFORNIA."

This report presents the results of a slope stability study of two areas of potential deep-seated slope failures at the perimeter of Treasure Island: the southeast area and the northwest area. The report briefly describes the field investigation consisting of 4 CPTs, describes the subsurface conditions at the two subject areas, and tabulates the selected soil parameters for the analysis. The report then presents the results of static and pseudo-static slope stability analysis and of slope deformation analysis of the two areas. They conclude that a 1,500 feet long section of the northwest dike perimeter "may experience 12 inches of permanent deformation" under the design earthquake, and they recommend mitigating the potential for dike movement by improving the soil with deep soil-cement mixed columns. They also recommend mitigating lateral spread due to liquefaction by using stone columns.

URS generally agrees with the technical approach used by Treadwell & Rollo to evaluate the static slope stability of the dike perimeter. However, for seismic slope stability, URS recommends conducting additional analysis to account for the reduced shear strength of the fill

and shoal materials and the Bay Mud during earthquake loading. In addition, URS believes that further study is necessary to finalize the design of the proposed mitigation method, the deep soil-cement mixing method. We recommend additional field and laboratory investigations to establish the stress history and strength parameters of the Young Bay Mud at three locations: beneath the crown of the dike, beneath the toe of the dike, and approximately 100 to 200 feet offshore from the toe of the dike.

URS also recommends considering the deep soil-cement mixing method to mitigate both the potential for deep-seated failure and lateral spread due to liquefaction.

URS conclusions regarding specific questions are presented below.

Question 1: Section 5.2, p. 5-6:

The report provides a table of soil parameters that were used for the slope stability analyses. The report also provides figures illustrating the stratigraphy that was used for the analyses. Compared to the descriptions of the sandy fill and shoal materials as being loose to medium dense, the choice of friction angle of 37° seems high. For similar reasons, the choice of 700 psf, 500 psf, and 1,100 psf for cohesion for the sandy clay shoal material, offshore recent bay mud, and onshore recent bay mud, respectively, seem high. The report states that the basis for these parameters are the CPTs and selected subsurface data from previous investigations. Can you provide more details regarding your choice of soil parameters?

Regarding the selection of soil parameters, Treadwell & Rollo states that they relied on the four CPT tests for the choice of friction angle for the sandy fill and shoal material, the four CPT tests and previous site data for undrained shear strength of the sandy clay shoal deposit, the CPT data for the onshore Bay Mud undrained shear strength, and previous Geomatrix (1990) subsurface data for the offshore Bay Mud undrained shear strength. In telephone correspondence dated December 19, 2003, Treadwell & Rollo again supported the choice of friction angle of 37° as an average value for the sandy fill and shoal deposits. They further stated that the portion of the failure circle that intersects the sandy fill and shoal deposits is relatively small compared to the portion that intersects the Bay Mud, and

therefore, a difference of one or two degrees in friction angle will not have a significant effect on the calculated factor of safety.

Agreement with Qualifications – URS concurs that the chosen static soil parameter values for the fill, shoal, and onshore Bay Mud deposits are generally consistent with the CPT results. Furthermore, URS agrees with Treadwell & Rollo that a change of 2 degrees in friction angle for the sandy fill and shoal deposit will not have a significant effect on the calculated factor of safety for static conditions. However, URS believes that the verbal descriptions of the consistency or density of the subsurface strata deposits are not consistent with the chosen soil parameter values. The fill and shoal deposits are described as "loose to medium dense" and "soft to medium stiff." These density and consistency descriptions generally correlate to a friction angle of 29° to 36° and an undrained shear strength ranging from 250 psf to 1,000 psf (Terzaghi et al., 1996; Peck et al, 1974). Furthermore, the onshore Bay Mud is described as medium stiff, which generally refers to an undrained shear strength of 500 to 1,000 psf, whereas the chosen soil parameter for this deposit is 1,100 psf. We recommend changing the verbal descriptions to be more representative of the chosen soil parameters. We also recommend adding an evaluation of the results of the four CPT tests compared with the Geomatrix data and other previous data.

Prior to final design of the method to mitigate the potential dike movement, URS recommends additional investigation and analysis to establish the characteristics of the onshore and offshore Bay Mud at the dike perimeter location with the greatest potential for movement. URS believes that currently, there is insufficient data to fully define the stress history and strength characteristics at all major locations along the potential slip circle: beneath the crown of the dike, beneath the toe of the dike, and 100 to 200 feet offshore from the toe of the dike.

For seismic analysis, URS recommends determining the reduced shear strength of the fill, shoal, and Bay Mud deposits due to earthquake loading. For seismic slope stability, methods, such as Seed and Harder (1990) and dynamic methods, should be considered to account for the reduced strength of soil during earthquake loading (see Question 8, 1995 report).:

Question 2: Section 5.4, p. 7:

The report states that for the seismic analysis, the PGA = 0.4g. Research published in 1994 (Rollins et al.) estimated a PGA = 0.45g based on attenuation relations. What attenuation relations did you use to estimate PGA = 0.4g?

Treadwell & Rollo referred to the answer for previous question (Question 4 for the 1995 Geotechnical Report) stated that they "performed a Probabilistic Seismic Hazard Analysis and reported the average of …(two)… attenuation relationships for soft soil."

Agreement

Question 3: Section 6.1, pp. 9-10:

How did you estimate the distance inland that movement may affect structures?

In the response letter and in telephone correspondence dated December 19, 2003, Treadwell & Rollo stated they measured the distance from the middle of the flat portion at the crown of the dike to the location where the pseudo-static slope stability failure surface with a Factor of Safety = 1 intersected the onshore ground surface.

Agreement

Question 4: Section 6.1, p. 9:

Did you consider the likelihood of slope failure through the island perimeter at locations other than the northwest and southeast corners? For example, the northeast corner, southwest corner and southeast corner where the Bay Mud thickness is less than 40 feet.

Treadwell & Rollo stated that scope of work for the slope stability evaluation covered only those locations that were identified in the 1995 Geotechnical Report.

Agreement with Qualification – URS understands that the Treadwell & Rollo slope stability evaluation only covered those areas identified in the 1995 Geotechnical Report. URS suggests conducting a qualitative evaluation of the potential for dike instability at the other areas of the island (i.e., north, northeast, east, south, and southwest) in light of the results of the 2000 Slope Stability Evaluation and in light of additional recommended slope

stability analysis (see URS comments after Question 8, 1995 report and Question 1, 2000 report)

Question 5: Section 6.2, p. 11:

How did you choose the recommended depth (35 feet) of penetration into the Bay Mud for the soil cement columns?

Treadwell & Rollo explained that they chose a depth 10 feet deeper than the depth of the failure slip surface below the top of the dike.

Agreement with Qualifications – We concur with Treadwell & Rollo's method for choosing the depth of the soil cement columns. However, we recommend re-evaluating the depth based on additional investigation and analysis, as suggested in the general conclusions section and in the specific conclusions regarding Question 1.

3.3 TREADWELL & ROLLO, MAY 17, 2002, "GEOTECHNICAL CONSULTATION, PROPOSED WETLANDS AT NORTHWEST CORNER OF TREASURE ISLAND, TREASURE ISLAND DEVELOPMENT, SAN FRANCISCO, CALIFORNIA."

This letter report discusses the geotechnical issues associated with a proposed wetlands area constructed at the northwest corner of the island. The report concludes that the wetland perimeter can be located far enough inland so that it is not susceptible to deep-seated slope failure, as identified in the 2000 Slope Stability Evaluation. The report also recommends stone columns to mitigate the potential for liquefaction-induced lateral spread displacement.

URS concurs with the preliminary conclusions and recommendations presented in this letter report.

Question 1: p. 2:

In the Treadwell & Rollo 2000 Slope Stability Evaluation report, Figures 9 through 11 illustrate static and seismic failure circles for three cross-section locations on the northwest corner of the island. Is the proposed wetland perimeter located inland from where the failure circles intersect the ground surface?

Treadwell & Rollo confirmed that "the lateral limits of the proposed wetlands at the northwest corner of the island extend beyond the locations where the failure surfaces from…(the)…slope stability evaluation intersect the existing ground surface."

Agreement

3.4 TREADWELL & ROLLO, JUNE 6, 2002, "GEOTECHNICAL CONSULTATION, CONCEPTUAL FOUNDATION SYSTEMS FOR BUILDINGS AT TREASURE ISLAND, TREASURE ISLAND REUSE PROJECT, SAN FRANCISCO, CALIFORNIA."

This letter report presents conceptual foundation systems for proposed new buildings on Treasure Island. The report discusses preliminary foundation types for proposed buildings up to four stories high and proposed buildings higher than four stories.

URS agrees with the preliminary foundation recommendation of deep piles for buildings higher than four stories.

For buildings up to four stories high, Treadwell & Rollo states that intolerably high differential settlement can arise from a combination of three sources: (1) consolidation-related settlement, (2) liquefaction and ground rupture-induced loss of soil, and (3) liquefaction-induced densification.

Treadwell & Rollo suggests mitigating the effects of unacceptable differential settlement by one of three options:

1. Found the building on deep foundations,

2. Perform soil improvement or ground modification to eliminate the potential for liquefaction-induced settlements and found the building on a sufficiently stiff mat to accommodate consolidation-related settlement, or

3. Construct a 10-foot-wide strip of reinforced soil around the building to reduce the potential for liquefaction and ground rupture-induced loss of soil settlement. In

addition, found the building on a sufficiently stiff mat to accommodate consolidation-related and liquefaction-induced settlement.

URS agrees with Options 1 or 2. We recommend either founding the building on deep piles or performing soil improvement/ground modification and founding the building on a stiff mat.

URS does not recommend Option 3 because we believe there still may be too much differential settlement. As stated in the Treadwell & Rollo report, "liquefaction-induced ground settlement … could be between 3 and 24 inches. Differential settlement is difficult to predict…" We believe that the combination of consolidation related settlement and liquefaction-induced settlement may prove to cause intolerably high differential settlement.

If Option 2 is chosen, URS recommends mitigating the magnitude of consolidation-related settlement by pre-consolidating the site with surcharge load prior to construction. Depending upon site-specific subsurface conditions, wick drains can be installed to accelerate the pre-consolidation.

URS also recommends performing a site-specific investigation in order to optimize the foundation system for each proposed building.

Because of the level of uncertainty inherent in the prediction of liquefaction-induced settlement arising from volumetric loss of soil after ground rupture and from densification, URS believes that Option 3 may involve a higher level of risk of damage to existing and future buildings due to earthquake shaking and liquefaction. Therefore, we recommend understanding the level of risk by conducting a Probable Maximum Loss (PML) study. The PML is a financial measure of the seismic vulnerability of a building. It is expressed as a ratio of the cost to restore an earthquake-damaged structure to pre-earthquake condition divided by the total building replacement value. There are several factors involved in the calculation of PML including type of structure, geological and geotechnical issues, proximity to faults, and probable seismic activity. Regarding the geological and geotechnical issues, we believe that the PML associated with Options 1 or 2 would be low compared to Option 3.

Question 1: p. 2

Can you provide a sample calculation package to support the estimated consolidation differential settlement of 6 inches over 25 feet for proposed buildings up to four stories?

Treadwell & Rollo provided load assumptions and soil parameters that they used to calculate the settlements.

Agreement

Question 2: p. 3:

Can you provide a sample calculation package (including skin friction and friction angle parameters) to support the estimated net allowable pile capacity of 150 kips for proposed buildings greater than four stories?

Treadwell & Rollo provided skin friction and factors of safety that they used for the preliminary pile capacities.

Agreement

4.0 SUMMARY OF RECOMMENDATIONS

Based on our conclusions and recommendations presented in Section 3.0, we sufficiently concur with Treadwell & Rollo's technical approach and recommendations to suggest the Treasure Island development negotiations move forward, provided that the following recommendations are considered as part of the engineering evaluation of the final development plans. For each recommendation, we reference in parentheses the relevant Treadwell & Rollo report:

1. URS recommends conducting additional investigation and analysis to establish the characteristics of the onshore and offshore Young Bay Mud. This should be completed prior to final design of the method to mitigate the potential dike movement (2000 Slope Stability Evaluation).

2. URS recommends conducting additional seismic slope stability analysis to account for the reduced shear strength of the fill, shoal, and Bay Mud deposits

during earthquake loading. (1995 Geotechnical Report and 2000 Slope Stability Evaluation)

3. We recommend Treadwell & Rollo re-evaluate the depth of proposed soil-cement columns based on the recommended additional investigation and analysis (2000 Slope Stability Evaluation).

4. We recommend considering the deep soil-cement mixing method to mitigate both the potential for deep-seated failure and lateral spread due to liquefaction (2000 Slope Stability Evaluation). (Note: In a letter dated January 8, 2004 that responded to URS' draft peer review report, Treadwell & Rollo stated that it is possible that stone-column and soil-cement column installation costs may have changed since their last evaluation in 2000. They agreed that the cost for mitigation methods should be re-evaluated based on current technology and costs.)

5. We recommend conducting a Probable Maximum Loss (PML) study to assess the risk of damage to existing and future buildings due to earthquake shaking and liquefaction (June 6, 2002 Geotechnical Consultation).

6. We recommend conducting a cost comparison study to evaluate the optimum foundation scheme for each new development (1995 Geotechnical Report).

7. We recommend conducting an updated evaluation of the geologic and geotechnical hazards based on developments in geotechnical analysis techniques since 1995 (1995 Geotechnical Report).

8. We suggest performing a qualitative evaluation of the potential instability at the areas of the island that were not studied in the 2000 Slope Stability Evaluation (2000 Slope Stability Evaluation).

5.0 LIMITATIONS

The conclusions presented in this report are based on URS' understanding of the project requirements. URS warrants that its services were performed with the level of care and skill ordinarily exercised by members of the same profession currently practicing in the same locality under similar conditions. No other warranty or representation, either expressed or implied, is included or intended hereunder.

6.0 REFERENCES

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URS

We have enjoyed working with you on this peer review to support the goals of the Treasure Island Development Authority. We look forward to cooperating with you on any future project.

Very truly yours,

URS CORPORATION

Douglas F. Cauble, Ph.D., PE
Senior Engineer

Francis R. Greguras, PE, GE
Geotechnical Group Manager

cc: Mr. Dean Iwasa
Treadwell & Rollo, Inc.
501 14th Street, 3rd Floor
Oakland, California 94612

APPENDIX A

URS LIST OF QUESTIONS
(URS letter dated December 3, 2003)

December 3, 2003

Treadwell & Rollo, Inc.
555 Montgomery Street, Suite 1300
San Francisco, California 94111

Attention: Mr. Frank L. Rollo
Mr. Dean Iwasa

Dear Mssrs. Rollo and Iwasa:

Geotechnical Peer Review
Treadwell & Rollo Reports
Treasure Island Development Authority
San Francisco, California

The Treasure Island Development Authority has authorized URS to conduct a geotechnical peer review of the following Treadwell & Rollo, Inc. reports:

- 26 July 1995, "Geotechnical Report, Treasure Island Reuse Project, Treasure Island, California"
- 15 February 2000, "Slope Stability Evaluation, Treasure Island Reuse Project, San Francisco, California"
- 17 May 2002, "Geotechnical Consultation, Proposed Wetlands at Northwest Corner of Treasure Island, Treasure Island Development, San Francisco, California"
- 6 June 2002, "Geotechnical Consultation, Conceptual Foundation Systems for Buildings at Treasure Island, Treasure Island Development, San Francisco, California"

At the start of our review of these reports, we contacted Mr. Dean Iwasa to inform him that URS was conducting the peer review. Mr. Iwasa has been very cooperative in providing figures that were missing from our copy of the 1995 Geotechnical Report.

We have reviewed these reports, and we would appreciate very much your cooperation in answering the attached list of questions. Your answers would be very helpful for us to continue our peer review process. Our schedule for completing the peer review assignment is December 12, 2003.

Once we have received your responses to these questions, we may wish to facilitate a meeting to review any remaining issues related to the peer review.

Thank you for your assistance.

Very truly yours,

URS CORPORATION

Douglas Cauble, PhD, PE
Project Engineer

Francis R. Greguras, PE
Geotechnical Group Manager

Attachment: List of Questions for Treadwell & Rollo, Inc.

cc: Jack Sylvan, Treasure Island Development Authority

LIST OF QUESTIONS FOR TREADWELL & ROLLO, INC
GEOTECHNICAL PEER REVIEW
TREADWELL & ROLLO TREASURE ISLAND REPORTS

Treadwell & Rollo, 1995, "Geotechnical Report, Treasure Island Reuse Project, Treasure Island, California."

1. Section 3.2, p. 11:
   The report states the "current elevations are the result of many years of ground settlement." Since the stated range of elevations for the dike (+10.5 to +16 feet) is above and below the initial elevation (+14 feet), are current dike elevations also the result of additional fill?

2. Section 5.0, p. 15:
   The report states that where Bay Mud thickness is greater than 60 feet (northwest corner), the Bay Mud is underconsolidated and the settlement rate may be on the order of 1 foot over the next 50 years. Can you provide more background information (e.g., calculations and interpretation of Table 2) to help explain this settlement prediction?

3. Section 8.1.1, p. 19:
   The report suggests five areas on Yerba Buena Island (YBI) as potentially unstable and that a geotechnical investigation should be performed if development is planned in the vicinity of these five locations. Based on geologic maps, there are other areas on YBI that have steep slopes and soil cover. Why were these other areas excluded from the recommendation for further geotechnical investigation?

4. Section 8.2.1, p. 20:
   The report concludes peak accelerations could be on the order of 0.4g based on design earthquakes. How did you arrive at this conclusion (i.e., what attenuation relationships did you use)? Research published in 1994 (Rollins et al.) estimated a PGA = 0.45g based on attenuation relations. The most recent (2003) California Probabilistic Shaking Map (www.consrv.ca.gov/cgs/rghm/psha) shows a PGA = 0.47g.

5. Section 8.2.2.1, p. 20:
   What method did you use to estimate settlement on the order one foot to several feet for structures that lose bearing support as a result of liquefaction?

6. Section 8.2.2.2, p. 20:
   The report states that liquefied sand can settle on the order of 3 to 24 inches, but Figure B-3 reports the range from 3 to 22 inches. Can you provide a typical calculation package for this analysis?

7. Section 8.2.2.3, pp. 20-21:
   The report states the method for predicting lateral spread (Bartlett and Youd's 1995 MRL model) was evolving and results should be considered qualitative. Then the report presents order of magnitude lateral spread displacement for the island based on the MRL model analysis and engineering judgement. Can you be more specific as to what information other that the MRL analysis you used to determine the order of magnitude displacements?

8. Section 8.2.4, p. 23:
What method did you use to estimate 5 feet of slope movement due to deep failures in the recent bay mud? Did you conduct an analysis of dike movement based on Makdisi & Seed (1978)? Were slope deformations evaluated using residual strengths in the liquefied soils?

9. Section 9.1.2, p. 24:
The report suggests dynamic compaction as a method to densify artificial fill on YBI. On page 26 in the last paragraph of Section 9.2.2.1, the report states "Since dynamic compaction is potentially damaging…" Is this also applicable for dynamic compaction work on YBI?

10. Section 9.2.2.3, p. 27:
The report states a proposed new rock berm would replace the existing berm. Do you mean to state that a proposed new rock berm would be constructed outboard of the existing rock berm?

11. Section 9.2.3, pp. 28-29:
The report seems to suggest that it is not cost-effective to modify the ground beneath existing buildings, but that the existing buildings should be lifted in order to construct new mat foundations. The existing buildings with the new mat foundations would have a reduced risk of collapse, but may not be functional after an earthquake. It may be appropriate to state the actual cost of improving the ground beneath existing buildings in order to eliminate the risk of collapse. It seems that it may not be worth the effort to only add a mat foundation if the existing building could still collapse. Were cost comparisons performed for ground modification beneath existing buildings and for lifting buildings to install a new mat foundation?

12. Section 9.2.3.2, p. 30:
The report states that new loads typically would cause 1 to 2 feet of settlement over 20 to 30 years. What range of new loads would cause these typical settlements?

Treadwell & Rollo, 2000, "Slope Stability Evaluation, Treasure Island Reuse Project, San Francisco, California."

1. Section 5.2, pp. 5-6:
The report provides a table of soil parameters that were used for the slope stability analyses. The report also provides figures illustrating the stratigraphy that was used for the analyses. Compared to the descriptions of the sandy fill and shoal materials as being loose to medium dense, the choice of friction angle of 37° seems high. For similar reasons, the choice of 700 psf, 500 psf, and 1,100 psf for cohesion for the sandy clay shoal material, offshore recent bay mud, and onshore recent bay mud, respectively, seem high. The report states that the basis for these parameters are the CPTs and selected subsurface data from previous investigations. Can you provide more details regarding your choice of soil parameters?

2. Section 5.4, p. 7:
The report states that for the seismic analysis, the PGA = 0.4g. Research published in 1994 (Rollins et al.) estimated a PGA = 0.45g based on attenuation relations. What attenuation relations did you use to estimate PGA = 0.4g?

3. Section 6.1, pp. 9-10:
How did you estimate the distance inland that movement may affect structures?

4. Section 6.1, p. 9:
Did you consider the likelihood of slope failure through the island perimeter at locations other than the northwest and southeast corners? For example, the northeast corner, southwest corner and southeast corner where the Bay Mud thickness is less than 40 feet.

5. Section 6.2, p. 11:
How did you choose the recommended depth (35 feet) of penetration into the Bay Mud for the soil cement columns?

Treadwell & Rollo, May 17, 2002, "Geotechnical Consultation, Proposed Wetlands at Northwest Corner of Treasure Island, Treasure Island Development, San Francisco, California."

1. p. 2:
In the Treadwell & Rollo 2000 Slope Stability Evaluation report, Figures 9 through 11 illustrate static and seismic failure circles for three cross-section locations on the northwest corner of the island. Is the proposed wetland perimeter located inland from where the failure circles intersect the ground surface?

Treadwell & Rollo, June 6, 2002, "Geotechnical Consultation, Conceptual Foundation Systems for Buildings at Treasure Island, Treasure Island Reuse Project, San Francisco, California."

1. p. 2:
Can you provide a sample calculation package to support the estimated consolidation differential settlement of 6 inches over 25 feet for proposed buildings up to four stories?

2. p. 3:
Can you provide a sample calculation package (including skin friction and friction angle parameters) to support the estimated net allowable pile capacity of 150 kips for proposed buildings greater than four stories?

References

Rollins, K.M., Mehood, M.D., Hryciw, R.D., Homolka, M., S.E. Shewbridge, 1994, "Ground Response on Treasure Island," from *The Loma Prieta, California, Earthquake of October 17, 1989: Strong Ground Motion and Ground Failure*, U.S. Geological Survey Professional Paper 1551-A, pp. A109-A121.

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APPENDIX B

TREADWELL & ROLLO RESPONSES TO URS LIST OF QUESTIONS
(Treadwell & Rollo letter dated December 15, 2003)

Treadwell&Rollo

15 December 2003
Project 1719.04

Mr. Francis R. Greguras
URS Corporation
221 Main Street, Suite 600
San Francisco, California 94105

Subject: Response to URS Geotechnical Peer Review Comments and Questions
Treasure Island Development Authority
San Francisco, California

Dear Mr. Greguras:

This letter presents our responses to peer review comments and questions by URS Corporation regarding the Treasure Island Development. These comments and questions were transmitted to us in a letter dated 3 December 2003, and a copy of the letter is attached for reference.

Specifically, this letter responds to questions regarding the following Treadwell & Rollo documents:

- "Geotechnical Report, Treasure Island Reuse Project, Treasure Island, California", dated 26 July 1995
- "Slope Stability Evaluation, Treasure Island Reuse Project, San Francisco, California", dated 15 February 2000
- "Geotechnical Consultation, Proposed Wetland at Northwest Corner of Treasure Island", dated 17 May 2002
- Draft "Geotechnical Consultation, Conceptual Foundation Systems for Buildings at Treasure Island, Treasure Island Development, San Francisco, California", draft date 6 June 2002.

RESPONSE TO QUESTIONS REGARDING GEOTECHNICAL REPORT

Response to Question 1 (Geotechnical Report)

During our 1995 study, we did not find information indicating whether rock was placed to raise the elevation of the dike. However, based on our understanding of Bay Mud consolidation under the weight of the rock dike, we suspect the perimeter dike experienced substantial settlement subsequent to its original construction in 1936. Therefore, we believe additional rock was placed to achieve the current grades.

Treadwell & Rollo, Inc. *Environmental & Geotechnical Consultants*
501 14th Street, Third Floor, Oakland, CA 94612
Telephone (510) 874-4500 Facsimile (510) 874-4507

Response to Question 2 (Geotechnical Report)

During our study, we evaluated consolidation test reports presented in the Geomatrix (1990) report titled *Perimeter Dike Stability Evaluation,* and concluded that several samples of the Bay Mud collected from the northwestern portion of the site were underconsolidated. Table 2 data was used to show that the northwestern portion of the island behaves differently than the remainder of the island. More specifically, Table 2 shows the northwestern portion of the island was still experiencing ongoing settlement as late as 1964, while the remainder of the island was not settling.

Subsequently, we performed preliminary consolidation analyses assuming a single-drainage condition due to the presence of old bay clays below the recent Bay Mud layer. Our intent was to show the possibility that the underlying Bay Mud layer is underconsolidated. Based on our analysis, we concluded the Bay Mud at the northwestern portion of the site (as represented by the Geomatrix boring No. 9) is likely to be underconsolidated under the existing overburden condition. Our findings were consistent with the consolidation test results and the settlement data for the northwestern portion of the island. Our preliminary consolidation analyses for the northwestern portion of the island used the following information:

- a Bay Mud thickness of 125 feet
- a fill thickness of 45 feet
- depth to groundwater of about five feet
- an average C_{ec} of 0.23 (based on consolidation reports in the Geomatrix report)
- single-drainage condition
- an estimated C_v of 15 feet squared per year
- initial placement of fill on about August 1937
- settlement after 58 years of about 5.7 feet
- settlement after 108 years of about 6.8 feet.

Thus, we preliminarily concluded that about one foot of additional settlement over a 50 year period may still occur at the northwestern portion of the site.

Response to Question 3 (Geotechnical Report)

The current reuse plan indicates a majority of the Yerba Buena Island (YBI), including steep soil-covered slopes, will be exchanged or swapped for lands currently encumbered by the California State Lands Commission (Tidelands Trust) on Treasure Island (TI), which includes proposed building areas. Therefore, the development of steep soil-covered slopes on YBI is likely to be severely restricted, with the exception of proposed beach trails that may be required to enhance the beneficial use of the proposed Tideland Trust lands on YBI. For the purpose of planning the alignment of new beach access trails, we have identified areas of known slope stability concerns. By identifying these areas during the planning stage of the reuse plan, the project team was able to understand the potential for slope instability and specific locations where there is a higher than normal probability of encountering unstable slopes.

It is true that additional areas of steep, soil-covered slopes are present at the site, and that these areas may become potentially unstable due to new site development and/or natural environmental conditions, i.e. earthquakes and heavy rain. However, during our study, which included a review of available studies and reports for YBI, we did not find information that would preclude the development of proposed beach access trails on the steep slopes at the site. In addition, from our review of the USGS report titled *Historic Ground Failures in Northern California Associated with Earthquakes*, prepared by Youd and Hoose (1978), we did not find references to any ground failures on YBI associated with strong shaking during the 1906 Earthquake along the San Andreas Fault. It is our view that site-specific geological/geotechnical investigations should be performed for any proposed improvement on YBI, and that these studies would be used to identify the prominent issues associated with the planning and design of beach access trails and improvements as proposed by the Tideland Trust.

Response to Question 4 (Geotechnical Report)

Geomatrix performed SHAKE analyses based on site-specific subsurface conditions at TI. The results of their analyses indicate a range of peak ground accelerations (PGA) between 0.38g and 0.47g. Geomatrix concluded a design level PGA of 0.4g should be used for TI. In 1995, Treadwell & Rollo evaluated the Geomatrix results using the attenuation/amplification relationship for soft soil sites developed by Idriss (1990). The relationship developed by Idriss indicates that peak rock accelerations (PRA) on the order of 0.1g can be amplified to PGA values in the range of 0.11g to 0.32g, with a median value of about 0.21g. Similarly, a larger PRA of 0.45g will be attenuated and amplified to values between about 0.33g and 0.49g, respectively, with a median value of about 0.41g. Based on this comparison, we judged 0.4g is appropriate for use as the design level PGA for TI. In our opinion, the Geomatrix study had a similar range of results and median value as the Idriss study.

Also, because of the liquefaction potential at TI and by reviewing time histories during the Loma Prieta Earthquake, the attenuating effects of soil liquefaction on the ground response should be anticipated. This observation is consistent with those recently described by Professor Youd during the H. Bolton Seed Memorial Award presentation on 23 October 2003.

Considering that site-specific subsurface conditions will have a large influence on the seismic design of new structures, it is our view that site-specific seismic response analyses should be performed for each new development proposed for TI, where the conditions are substantially different from those described in the Geomatrix SHAKE analysis. The site-specific response analyses should consider both the initial ground shaking associated with non-liquefiable site conditions and the ground response assuming a liquefied or soft soil condition, as appropriate. In this way, the most current understanding of seismic response of liquefiable and soft soil sites can be incorporated into the design of each new structure.

With regards to the use of a larger PGA of 0.45g to 0.47g, we judge that these values are appropriate for sites on YBI and potentially for sites where deep soil improvements have been performed. Again, we recommend performing site-specific response analyses to model each site with substantially different subsurface conditions.

Response to Question 5 (Geotechnical Report)

Section 8.2.2.1 of our report discusses the potential for liquefaction-induced ground rupture, sand boils, and loss of bearing support. We used the method developed by Ishihara (1985) that compares the thickness of non-liquefiable surface soil to the thickness of the underlying liquefiable sand layer for determining whether liquefaction-induced ground rupture is likely to occur.

If ground rupture occurs, the underlying liquefied soil is no longer confined and may flow to the ground surface and form sand boils. Loss of bearing support can either occur as a result of volumetric loss of soil from beneath new and/or existing foundations or due to the sudden reduction in the undrained residual strength of liquefied soil. The residual strength of liquefied soil can be evaluated using methods such as the SPT-based procedures developed by Seed and Harder (1990). Our estimate of liquefaction-induced settlement associated with volumetric loss of soil is empirical. Settlement associated with the loss of bearing support will be a function of building foundation type and subsurface conditions, and could be relatively large for heavily loaded footings or at sites where "punching" failures occur.

Therefore, our settlement estimate was presented as a wide range of values (one foot to several feet) to inform the reader that significant settlement can occur as a result of liquefaction and loss of foundation support during a seismic event.

Response to Question 6 (Geotechnical Report)

The liquefaction-induced sand densification values of 3 to 22 inches, as presented on Figure B-3 of our report, are correct. A typical liquefaction analyses is attached with this letter. Similar analyses were performed using data from other geotechnical reports that are available at the Treasure Island Development Authority offices. Based on our analytical results, we concluded that liquefaction-induced settlement can vary widely across the site; therefore, it is our view that site-specific assessments of liquefaction-induced ground deformation should be performed to evaluate the expected performance of each project site.

Response to Question 7 (Geotechnical Report)

As discussed in Section 8.2.2.3 of our report, we used the multiple linear regression (MLR) model developed by Bartlett and Youd (1995). The peer review comments describe a "MRL" model in which we believe to be a typographical error for the MLR model. The MLR was selected and presented in our study because the method is based on case history studies. Also, in our opinion, slope stability based slope deformation analysis methods, such as Makdisi and Seed (1977), may not be appropriate when computing liquefaction-induced lateral spreading. However, for slope deformation analyses associated with deep rotational failures, we believe the Makdisi and Seed analysis method is appropriate. Additional analytical methods other than the MLR model were not used in our lateral spread analyses; however, a qualitative evaluation of reports describing historic lateral deformations associated with soil liquefaction in the San Francisco Bay Area were reviewed as part of our study. Several of these descriptions of historic deformations, especially a few of those described in the USGS report titled *Historic Ground Failures in Northern California Associated with Earthquakes*, prepared by Youd and Hoose (1978), describe historic lateral spread deformations that have resulted in significant ground displacement and building damage.

Response to Question 8 (Geotechnical Report)

The deep-seated rotational failure of slopes was originally evaluated for the northwestern portion of the island where the Bay Mud layer is thickest and where the Bay Mud was suspected to be underconsolidated based on the existing overburden condition. We assumed Bay Mud shear strengths associated with an underconsolidated condition and performed preliminary slope deformation analyses using the Makdisi and Seed analysis method. As a result of our

preliminary analyses, we concluded that the potential for seismic slope deformations of about five feet may occur at the northwestern portion of the island. We performed additional analyses to evaluate the feasibility of mitigating deep-seated rotational failures by using soil improvement methods (such as soil-cement columns) to increase the shear resistance along the failure surface. The results of our seismic deformation analysis of a slope underlain by improved soil indicated that lateral displacements could be reduced to less than one foot. Subsequently, we recommended additional studies be performed to evaluate the stability of the slope at the northwestern and southeastern portions of the island, and to better assess the lateral extent and need for deep soil improvement. Subsequent studies were performed and presented in our report titled *Slope Stability Evaluation*, dated 15 February 2000. The conclusions and recommendations presented in our 15 February 2000 supercede the preliminary conclusions and recommendations presented in our 1995 Geotechnical Report.

Response to Question 9 (Geotechnical Report)

As previously discussed in our response to question 3, a large part of the City-controlled portion of YBI is likely to be exchanged or swapped for lands on TI that are currently encumbered by the Tidelands Trust. Therefore, it is unlikely that significant development of YBI shoreline areas will be allowed. In addition, many areas of YBI either consist of dune sand on steep slopes or historic structures on loose sand. Considering the potential for strong vibrations associated with deep-dynamic compaction, we anticipate that the application of this method of soil improvement at YBI will be very limited.

Response to Question 10 (Geotechnical Report)

The proposed rock berm could either replace or incorporate the existing berm, or the proposed rock berm could be constructed outboard of the existing one. In our view, the later option is easiest to construct; however, there may be permit restrictions associated with the expansion or widening of TI. Therefore, limiting the acceptable alternatives to either replacing or incorporating the existing rock berm into the proposed earth structure.

Response to Question 11 (Geotechnical Report)

The proposed seismic strengthening of existing buildings at TI is a difficult issue to fully address due to variations in building size, building type, foundation conditions, and existing subsurface conditions. Soil improvement techniques can be used to strengthen and/or densify soil at the building sites. Soil improvement can reduce the potential for soil liquefaction, ground rupture, and cyclic soil densification. However, some soil improvement methods, such as compaction grouting or other soil densification techniques, can have an adverse impact associated with

increasing the overburden stress on the underlying Bay Mud layer and potentially causing a new cycle of consolidation-related settlement. Existing buildings supported on conventional shallow spread-type footings may not perform well when subjected to long-term consolidation-related settlement.

One possible method of seismically-strengthening existing buildings that are currently supported on conventional spread footings, without causing a new cycle of consolidation-related settlement, is to replace the existing foundation system with an appropriately designed reinforced concrete mat. This type of foundation system would be better able to accommodate ground settlement associated with soil liquefaction, while not increasing the overburden stress on the underlying Bay Mud.

Site-specific foundation investigations and engineering analyses can be performed to better estimate the amount of settlement associated with various soil improvement techniques. For some sites, we judge that the use of conventional spread footings in conjunction with soil improvement may be feasible. For other sites, deep foundations may be the only safe foundation option.

Cost comparisons for ground modification beneath existing buildings and for stiffening existing buildings by adding a new reinforced concrete mat were not performed by Treadwell & Rollo for the reuse of existing buildings.

Response to Question 12 (Geotechnical Report)

Our settlement estimates were based on an assumed condition where:

- subsurface conditions consist of about 45 feet of sand and shoal deposits over an approximately 40-foot-thick layer of compressible Bay Mud; groundwater was estimated at a depth of about five feet
- minor grading of about one foot of new fill is placed and compacted at the site
- the new building is supported on a mat foundation with a uniform bearing pressure of about 400 pounds per square foot (psf)
- the underlying sand and shoal deposits are densified from a dry density of about 90 to 100 pounds per cubic foot (pcf) to about 120 to 125 pcf.

RESPONSE TO QUESTIONS REGARDING SLOPE STABILITY EVALUATION

Response to Question 1 (Slope Stability Evaluation)

The choice of the parameters was based on the CPT data presented in our slope stability evaluation report. The friction angle from the CPT data generally range from 30 to 40 degrees with a majority of the data falling above 35 degrees. The friction value of 37 degrees represents an average value for the analyzed cases.

For the sandy clay shoal deposit, a value of 700 psf was used in the analyses. The choice of this value is once again based on the site-specific CPT data as well as the results from previous investigations. The CPT data for this layer suggest its undrained strength is generally greater than 1,000 psf. Considering the subsurface variations and the fact that the areas where the CPTs encountered this deposit it is overlain by about 30 feet of soil, the choice of 700 psf is reasonable.

The onshore Bay Mud at the northwestern portion of the island is generally overlain by more than 50 feet of soil. The CPT data suggest the undrained strength of the Bay Mud is more than 1,000 psf. Considering that the strength of normally consolidated clay increases with depth, the undrained shear strength value of 1,100 psf is intended to be a reasonable average for the strata.

The offshore Bay Mud for analyzed cases A-A', B-B', and D-D' is overlain by about 5 to 15 feet of soil. For case C-C', the offshore Bay Mud is not overlain by other soil. Geomatrix (1990) performed a comprehensive review of the subsurface data at Treasure Island. They also performed a number of slope stability analyses to evaluate the stability of the perimeter dikes. The assigned values for the undrained shear strength of the offshore Bay Mud range from 90 psf near the surface to about 1,130 psf in the top 61 feet. A weighted average of the offshore Bay Mud shear strengths used in the Geomatrix stability analyses in the top 60 feet is about 510 psf. Therefore, the value of 500 psf used in our analyses is a reasonable average value. Furthermore, the perimeter dikes have been statically stable for more than 50 years with no reported static stability issues, suggesting that the strength values used in our analyses are appropriate.

Response to Question 2 (Slope Stability Evaluation)

Please refer to our previous response to Question 4 (Geotechnical Report). Also, for our estimates of PGA's presented in Table 3 of our *Slope Stability Evaluation*, we performed a Probabilistic Seismic Hazard Analysis and reported the average of the Crouse (1995) and Boore et al. (1997) attenuation relationships for soft soil.

Response to Question 3 (Slope Stability Evaluation)

The distances were measured from the failure surfaces obtained from the psuedo-static analyses, where the computed *factor of safety* equaled 1.0.

Response to Question 4 (Slope Stability Evaluation)

As presented in the introduction of the 15 February 2000 report, the focus of the study was to evaluate areas where potential deep-seated failures were delineated in the Treadwell & Rollo 1995 report. Therefore, we did not consider other areas beyond those presented in our report.

Response to Question 5 (Slope Stability Evaluation)

This depth was recommended after examination of the results presented in Figure 10 of the slope stability evaluation report. We assumed the soil-cement column would be constructed at the top of the dike. Therefore, a depth of 35 feet into the Bay Mud will extend the tip of the soil-cement columns to a depth of about 10 feet below the failure surface. This revised recommended depth supercedes the recommended soil-cement column depth presented in our 1995 Geotechnical Report.

RESPONSE TO QUESTIONS REGARDING PROPOSED WETLANDS AT NORTHWEST CORNER OF TREASURE ISLAND

Response to Question 1 (Wetlands at Northwest Corner)

The lateral limits of the proposed wetlands at the northwest corner of the island extend beyond the locations where the failure surfaces from our slope stability evaluation intersect the existing ground surface. Therefore, the approximate zone of slope deformation would lie within the proposed wetland area.

RESPONSE TO QUESTIONS REGARDING CONCEPTUAL FOUNDATION SYSTEMS FOR BUILDINGS AT TREASURE ISLAND

Response to Question 1 (Conceptual Building Foundations)

Our settlement estimates were based on an assumed condition where:

- subsurface conditions consist of about 45 feet of sand and shoal deposits over an approximately 40-, 60-, 80- or 100-foot-thick layers of compressible Bay Mud; an

average C_{cc} of 0.23 was used for the Bay Mud; groundwater was estimated at a depth of about five feet

- minor grading of less than one foot
- the new buildings are supported on a reinforced mat with a rigid first floor with an allowable bearing capacity of about 1,000 psf
- single- and double-drainage conditions
- differential settlements are estimated to be equal to about one-half of the total settlement and will occur across a bay width of about 25 feet; differential settlements are computed assuming a 50-year useable building life.

Differential settlements at 50 years after construction are estimated to be:

- 3 to 4 inches for 40-foot-thick Bay Mud layer
- 3 to 5 inches for 60-foot-thick Bay Mud layer
- 3 to 5 inches for 80-foot-thick Bay Mud layer
- 3 to 4 inches for 100-foot-thick Bay Mud layer.

Therefore, our conclusion of differential settlement of about six inches across a 25-foot distance is conservative.

Response to Question 2 (Conceptual Building Foundations)

Our preliminary pile capacities are based on:

- down-drag skin friction value of 300 psf for liquefied sand and bay mud layers; no factor of safety is applied to this value
- variable soil consisting of stiff to hard clays and dense to very dense sand below Bay Mud layer; assumed average skin friction value of 2.0 ksf; a factor of safety of 2.0 is applied to the supporting soil values.

Ideally, the proposed building sites, where pile foundations are planned, will be graded in a manner that will not increase the effective overburden stress on the underlying Bay Mud layer; therefore, no down-drag loads should develop. However, due to the potential for on-going secondary compression and possible residual primary consolidation, we have included a down-drag load as part of the conceptual foundation design.

We trust this letter provides the information you require at this time. Please call if you have any questions.

Sincerely yours,
TREADWELL & ROLLO, INC.

Dean H. Iwasa
Geotechnical Engineer

REGISTERED PROFESSIONAL ENGINEER
DEAN H. IWASA
GE 2285
Exp. 3/31/06
GEOTECHNICAL
STATE OF CALIFORNIA

Craig A. Hall for
Ramin Golesorkhi, PhD
Geotechnical Engineer

17190401.OAK

Attachment: URS List of Questions for Treadwell & Rollo, Inc., received 4 December 2003
Example of Liquefaction-Induced Settlement Calculation

cc: Mr. Jack Sylvan
Treasure Island Development Authority
410 Avenue of Palms
Building 1, 2nd Floor
Treasure Island
San Francisco, California 94130

Mr. Steven Proud
Treasure Island Development Authority
410 Avenue of Palms
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Mr. Jay Wallace
Treasure Island Community Development, LLC
703 Market Street, Suite 1800
San Francisco, California 94103

REFERENCES

Boore, D. M., Joyner, W. B., and Fumal, T. E., 1997, Equations for estimating horizontal response spectra and peak acceleration from western North American earthquakes: A summary of recent work, Seismological Research Letter, 68(1), 128-153.

Crouse, C. B., 1995, Site Response Studies for Purpose of Revising NEHRP Seismic Provisions, Dames & Moore.

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ATTACHMENTS

LIST OF QUESTIONS FOR TREADWELL & ROLLO, INC
GEOTECHNICAL PEER REVIEW
TREADWELL & ROLLO TREASURE ISLAND REPORTS

Treadwell & Rollo, 1995, "Geotechnical Report, Treasure Island Reuse Project, Treasure Island, California."

1. Section 3.2, p. 11:
The report states the "current elevations are the result of many years of ground settlement." Since the stated range of elevations for the dike (+10.5 to +16 feet) is above and below the initial elevation (+14 feet), are current dike elevations also the result of additional fill?

2. Section 5.0, p. 15:
The report states that where Bay Mud thickness is greater than 60 feet (northwest corner), the Bay Mud is underconsolidated and the settlement rate may be on the order of 1 foot over the next 50 years. Can you provide more background information (e.g., calculations and interpretation of Table 2) to help explain this settlement prediction?

3. Section 8.1.1, p. 19:
The report suggests five areas on Yerba Buena Island (YBI) as potentially unstable and that a geotechnical investigation should be performed if development is planned in the vicinity of these five locations. Based on geologic maps, there are other areas on YBI that have steep slopes and soil cover. Why were these other areas excluded from the recommendation for further geotechnical investigation?

4. Section 8.2.1, p. 20:
The report concludes peak accelerations could be on the order of 0.4g based on design earthquakes. How did you arrive at this conclusion (i.e., what attenuation relationships did you use)? Research published in 1994 (Rollins et al.) estimated a PGA = 0.45g based on attenuation relations. The most recent (2003) California Probabilistic Shaking Map (www.consrv.ca.gov/cgs/rghm/psha) shows a PGA = 0.47g.

5. Section 8.2.2.1, p. 20:
What method did you use to estimate settlement on the order one foot to several feet for structures that lose bearing support as a result of liquefaction?

6. Section 8.2.2.2, p. 20:
The report states that liquefied sand can settle on the order of 3 to 24 inches, but Figure B-3 reports the range from 3 to 22 inches. Can you provide a typical calculation package for this analysis?

7. Section 8.2.2.3, pp. 20-21:
The report states the method for predicting lateral spread (Bartlett and Youd's 1995 MRL model) was evolving and results should be considered qualitative. Then the report presents order of magnitude lateral spread displacement for the island based on the MRL model analysis and engineering judgement. Can you be more specific as to what information other that the MRL analysis you used to determine the order of magnitude displacements?

8. Section 8.2.4, p. 23:
What method did you use to estimate 5 feet of slope movement due to deep failures in the recent bay mud? Did you conduct an analysis of dike movement based on Makdisi & Seed (1978)? Were slope deformations evaluated using residual strengths in the liquefied soils?

9. Section 9.1.2, p. 24:
The report suggests dynamic compaction as a method to densify artificial fill on YBI. On page 26 in the last paragraph of Section 9.2.2.1, the report states "Since dynamic compaction is potentially damaging..." Is this also applicable for dynamic compaction work on YBI?

10. Section 9.2.2.3, p. 27:
The report states a proposed new rock berm would replace the existing berm. Do you mean to state that a proposed new rock berm would be constructed outboard of the existing rock berm?

11. Section 9.2.3, pp. 28-29:
The report seems to suggest that it is not cost-effective to modify the ground beneath existing buildings, but that the existing buildings should be lifted in order to construct new mat foundations. The existing buildings with the new mat foundations would have a reduced risk of collapse, but may not be functional after an earthquake. It may be appropriate to state the actual cost of improving the ground beneath existing buildings in order to eliminate the risk of collapse. It seems that it may not be worth the effort to only add a mat foundation if the existing building could still collapse. Were cost comparisons performed for ground modification beneath existing buildings and for lifting buildings to install a new mat foundation?

12. Section 9.2.3.2, p. 30:
The report states that new loads typically would cause 1 to 2 feet of settlement over 20 to 30 years. What range of new loads would cause these typical settlements?

Treadwell & Rollo, 2000, "Slope Stability Evaluation, Treasure Island Reuse Project, San Francisco, California."

1. Section 5.2, pp. 5-6:
The report provides a table of soil parameters that were used for the slope stability analyses. The report also provides figures illustrating the stratigraphy that was used for the analyses. Compared to the descriptions of the sandy fill and shoal materials as being loose to medium dense, the choice of friction angle of 37° seems high. For similar reasons, the choice of 700 psf, 500 psf, and 1,100 psf for cohesion for the sandy clay shoal material, offshore recent bay mud, and onshore recent bay mud, respectively, seem high. The report states that the basis for these parameters are the CPTs and selected subsurface data from previous investigations. Can you provide more details regarding your choice of soil parameters?

2. Section 5.4, p. 7:
The report states that for the seismic analysis, the PGA = 0.4g. Research published in 1994 (Rollins et al.) estimated a PGA = 0.45g based on attenuation relations. What attenuation relations did you use to estimate PGA = 0.4g?

3. Section 6.1, pp. 9-10:
How did you estimate the distance inland that movement may affect structures?

4. Section 6.1, p. 9:
Did you consider the likelihood of slope failure through the island perimeter at locations other than the northwest and southeast corners? For example, the northeast corner, southwest corner and southeast corner where the Bay Mud thickness is less than 40 feet.

5. Section 6.2, p. 11:
How did you choose the recommended depth (35 feet) of penetration into the Bay Mud for the soil cement columns?

Treadwell & Rollo, May 17, 2002, "Geotechnical Consultation, Proposed Wetlands at Northwest Corner of Treasure Island, Treasure Island Development, San Francisco, California."

1. p. 2:
In the Treadwell & Rollo 2000 Slope Stability Evaluation report, Figures 9 through 11 illustrate static and seismic failure circles for three cross-section locations on the northwest corner of the island. Is the proposed wetland perimeter located inland from where the failure circles intersect the ground surface?

Treadwell & Rollo, June 6, 2002, "Geotechnical Consultation, Conceptual Foundation Systems for Buildings at Treasure Island, Treasure Island Reuse Project, San Francisco, California."

1. p. 2:
Can you provide a sample calculation package to support the estimated consolidation differential settlement of 6 inches over 25 feet for proposed buildings up to four stories?

2. p. 3:
Can you provide a sample calculation package (including skin friction and friction angle parameters) to support the estimated net allowable pile capacity of 150 kips for proposed buildings greater than four stories?

References

Rollins, K.M., Mchood, M.D., Hryciw, R.D., Homolka, M., S.E. Shewbridge, 1994, "Ground Response on Treasure Island," from *The Loma Prieta, California, Earthquake of October 17, 1989: Strong Ground Motion and Ground Failure*, U.S. Geological Survey Professional Paper 1551-A, pp. A109-A121.

Makdisi, F.I. and H.B. Seed, 1978, "Simplified Procedure for Estimating Dam and Embankment Earthquake Induced Deformations," *ASCE Journal of Geotechnical Engineering*, v. 104, no. GT7, July, pp. 849-867.

TREASURE ISLAND - LIQUIFACTION ANALYSIS

Example of Liquefaction Induced Settlement Analyses.

Index # 11-12; Woodward-Clyde B-1,2; 9/60

M =	8.25
amax =	0.4
Cm =	0.89

Water Depth (ft) = 7.0

Moist Den =	115.0
Sat Den =	125.0

SUB-LAYER	TOP (ft)	BOTTOM (ft)	DEPTH (ft)	Ho (ft)	(N1)60	SIGMAo (tsf)	SIGMAo' (tsf)	rd	Kslgma	Kalpha	CSR eq	M = 7.5 CSR liq	M = 8.25 CSR liq	FS liq
1	0.0	7.0	3.5	7.0	43	0.20	0.20	0.99	1.00	1.00	0.26	0.60	0.53	2.07
2	7.0	18.0	12.5	11.0	27	0.75	0.57	0.97	1.00	1.00	0.33	0.37	0.33	1.01
3	18.0	24.0	21.0	6.0	16	1.28	0.84	0.95	1.00	1.00	0.38	0.19	0.17	0.45
4	24.0	27.0	25.5	3.0	8	1.56	0.98	0.94	1.00	1.00	0.39	0.10	0.09	0.23
5	27.0	31.0	29.0	4.0	20	1.78	1.09	0.92	0.98	1.00	0.39	0.26	0.23	0.58

ISHIHARA/YOSHIMINE (1990)

SUB-LAYER	(N1)60	1.1 x (N1)60	FS liq	Ec (%)	LAYER THICKNESS (ft)	DELTA H (In)
1	43	47	2.07	0.1	7.0	0.1
2	27	30	1.01	0.5	11.0	0.7
3	16	18	0.45	2.3	6.0	1.7
4	8	9	0.23	3.7	3.0	1.3
5	20	22	0.58	2.1	4.0	1.0
					TOTAL	4.7

TOKIMATSU/SEED (1984)

SUB-LAYER	(N1)60	CSR eq	Ec (%)	LAYER THICKNESS (ft)	DELTA H (in)
1	43	0.23	0.1	7.0	0.1
2	27	0.29	0.2	11.0	0.3
3	16	0.33	1.9	6.0	1.4
4	8	0.35	3.0	3.0	1.1
5	20	0.35	1.6	4.0	0.8
				TOTAL	3.5

APPENDIX C

TREADWELL & ROLLO SUPPLEMENTAL RESPONSES TO URS LIST OF QUESTIONS
(Treadwell & Rollo letter dated January 9, 2004)

Treadwell&Rollo

8 January 2004
Project 1719.04

Mr. Francis R. Greguras
URS Corporation
221 Main Street, Suite 600
San Francisco, California 94105

Subject: Supplemental Information
Response to URS Geotechnical Peer Review Comments and Questions
Treasure Island Development Authority
San Francisco, California

Dear Mr. Greguras:

This letter responds to supplemental peer review comments and questions presented by URS Corporation in its letter dated 22 December 2003. On the basis of our review of the draft report, we concur with the URS comments and recommendations except as discussed below:

Supplemental Response to Question 8: Section 8.2.4, p. 23:

URS Question: Were slope deformations evaluated using residual strengths in the liquefied soils?

T&R Response: Residual strengths in the liquefied soils were not used during our evaluation of the potential for deep-seated rotational failures at the northwestern portion of the island where the Bay Mud layer is thickest (see our report titled *Slope Stability Evaluation* dated 15 February 2000). Residual strengths were not used because we selected a simplified procedure for estimating earthquake-induced slope deformations (Makdisi and Seed, 1977). The Makdisi and Seed procedure is restricted in application to soils that experience very little reduction in strength due to cyclic loading.

We acknowledge that a loss of undrained shear strength may occur in liquefied soil at the site. However, the primary failure mode of the potentially liquefiable soil layer will consist of either a shallow failure surface, as indicated in Geomatrix (1990), or lateral spreading within the loose to medium dense sand fill and shoal sands, as described in our 1995 Geotechnical Report. Both of these modes of failure can be mitigated by the installation of stone-columns or soil-cement columns around the perimeter of the island.

Supplemental Comment to the URS Recommendation No. 2

URS Recommendation: The deep soil-cement mixing method should be considered for mitigating both the potential for deep-seated failure and lateral spread due to liquefaction.

T&R Comment: During the preparation of our 1995 Geotechnical Report and 2000 Slope Stability Evaluation, we contacted several soil improvement contractors to discuss the feasibility

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and cost of installing stone-columns and soil-cement columns. At that time, we concluded that the unit cost of installing stone-columns was less than the unit cost for soil-cement columns. It is possible that the installation costs have changed since our last evaluation in 2000. Therefore, we agree with URS that the cost for stabilizing the island perimeter should be re-evaluated based on current soil improvement technologies and pricing.

We appreciate the opportunity to discuss and respond to geotechnical issues regarding the planned development of Treasure Island. In our opinion, the URS peer review was very thorough and the comments, questions, and recommendations were very thoughtful. We trust this letter provides the information you require at this time. If you have any additional questions, please call.

Sincerely yours,
TREADWELL & ROLLO, INC.

Dean H. Iwasa
Geotechnical Engineer

REGISTERED PROFESSIONAL ENGINEER
DEAN H. IWASA
GE 2285
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cc: Dr. Douglas F. Cauble, URS Corporaton
Mr. Jack Sylvan, Treasure Island Development Authority
Mr. Steven Proud, Treasure Island Development Authority
Mr. Jay Wallace, Treasure Island Community Development, LLC

REFERENCES

Geomatrix Consultants (Geomatrix), 1990, Perimeter Dike Stability Evaluation, Naval Station Treasure Island, San Francisco, Volume 3, 25 October 1990.

Makdisi, F.I., and H.B. Seed, 1977, A Simplified Procedure for Estimating Earthquake-Induced Deformations in Dams and Embankments, Report No. UCB/EERC-77/19, Earthquake Engineering Research Center, University of California at Berkeley.

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Treadwell & Rollo, Inc. 2000, Slope Stability Evaluation, Treasure Island Reuse Project, San Francisco, California, 15 February.

Treadwell & Rollo, Inc., 2002a, Geotechnical Consultation, Proposed Wetland at Northwest Corner of Treasure Island, 17 May.

Treadwell & Rollo, Inc., 2002b, Geotechnical Consultation, Conceptual Foundation Systems for Buildings at Treasure Island, Treasure Island Development, San Francisco, California (draft), date 6 June.

Notes

AGENDA ITEM
TREASURE ISLAND DEVELOPMENT AUTHORITY
City and County of San Francisco

Agenda Item No. 11 **Meeting of April 14, 2004**

Subject: Authorizing the Executive Director to approve a First Amendment to the Contract with Toolworks, Inc. for janitorial and building maintenance services to extend the term of the contract from the period March 2003 through February 2004 to the end of the current Fiscal Year, June 30, 2004.

Contact/Phone: Annemarie Conroy, Executive Director
Eila Arbuckle, Finance Manager
274-0660

SUMMARY OF PROPOSED ACTION

Authorize execution of a first amendment to the contract with Toolworks, a member organization of the Treasure Island Homeless Development Initiative, for janitorial and building maintenance services to extend the current contract term to the end of the current Fiscal Year (June 30, 2004).

DISCUSSION

On April 9, 2003, the TIDA Board approved a contract with Toolworks, Inc. for the period March 1, 2003 through February 29, 2004, for an amount not to exceed $125,000. Staff requests an extension of the term of this contract to June 30, 2004, to coordinate this contract with the Authority's fiscal year. Sufficient funds remain to fund the contract through the end of FY2004. A copy of the draft first amendment and a copy of the original contract are enclosed with this memorandum. Staff will return to the Authority with a new contract for FY 2005 in June 2004.

RECOMMENDATION

Staff recommends authorizing extending the term of the Toolworks' contract.

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A FIRST AMENDMENT TO THE CONTRACT WITH TOOLWORKS, INC. TO EXTEND THE TERM OF THE CONTRACT TO PROVIDE JANITORIAL AND BUILDING MAINTENANCE SERVICES THROUGH JUNE 30, 2004 AND TO ADD TWO SECTIONS REGARDING NOTIFICATION OF LIMITATIONS ON CONTRIBUTIONS AND THE PROHIBITION ON PRESERVATIVE-TREATED WOOD CONTAINING ARSENIC.

WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, In 1995, the General Services Administration and the Bureau of Land Management determined that Yerba Buena Island was surplus to the Federal Government's needs and could be transferred to the administrative jurisdiction of the Department of Defense under the Base Closure and Realignment Act of 1990 and disposed of together with Treasure Island; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (I) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the Authority to administer the public trust for commerce, navigation and fisheries as to such property; and

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency for Treasure Island in 1997; and,

WHEREAS, the City and County of San Francisco negotiated a proposed Base Closure Homeless Assistance Agreement and Option to Lease Real Property with the Treasure Island Homeless Development Initiative, a California nonprofit corporation organized to utilize the resources of former naval base Treasure Island available to help fill gaps in the continuum of care for homeless persons and families, pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and,

WHEREAS, the Authority wishes to support the Treasure Island Homeless Development Initiative pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and

WHEREAS, the Authority authorized a twelve-month contract with Toolworks Inc. on April 9, 2003; and

WHEREAS, the Authority and the Contractor wish to coordinate the contract term with the Authority's Fiscal Year; and,

WHEREAS, the Authority and the Contractor wish to comply with revisions to the City's contract standards;

Now, therefore be it RESOLVED, That the Authority hereby authorizes the Executive Director to execute a first amendment to the contract with Toolworks, Inc., a California public benefit corporation, to extend the term of the contract through June 30, 2004, and to add two sections regarding notification of limitations on contributions and the prohibition on preservative-treated wood containing arsenic.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on April 14, 2004.

_____

William Fazande, Secretary

RECYCLED
80000 SERIES
30% P.C.W.

CITY AND COUNTY OF SAN FRANCISCO
TREASURE ISLAND DEVELOPMENT AUTHORITY
TREASURE ISLAND BUILDING ONE
410 AVENUE OF THE PALMS
SAN FRANCISCO, CALIFORNIA 9130

FIRST AMENDMENT

THIS AMENDMENT (this "Amendment") is made as of March 1, 2004, in San Francisco, California, by and between Toolworks, Inc., a California nonprofit corporation and a member organization of the Treasure Island Homeless Development Initiative ("Contractor"), and the Treasure Island Development Authority, a municipal corporation ("Authority"), acting by and through its Executive Director.

RECITALS

WHEREAS, Authority and Contractor have entered into the Agreement (as defined below); and

WHEREAS, Authority and Contractor desire to modify the Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, Contractor and the City agree as follows:

1. **Definitions**. The following definitions shall apply to this Amendment:

(a) **Agreement**. The term "Agreement" shall mean the Agreement dated March 1, 2003 between Contractor and Authority.

(b) **Other Terms**. Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. **Modifications to the Agreement**. The Agreement is hereby modified as follows:

(a) **Section 2.** Section 2, Term of the Agreement, currently reads as follows:

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from March 1, 2003 to February 29, 2004.

Such section is hereby amended in its entirety to read as follows:

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from March 1, 2003 to June 30, 2004.

(b) Notification of Limitations on Contributions. Section 51 is hereby added to the Agreement, as follows:

51. Notification of Limitations on Contributions

This paragraph applies if this Amendment is in excess of $50,000 and is for: (1) personal services; or (2) the selling or furnishing of any material, supplies or equipment; or (3) any combination of personal services and the selling or furnishing of any material, supplies or equipment. San Francisco Campaign and Governmental Conduct Code (the "Conduct Code") Section 3.700 *et. seq.*, and San Francisco Ethics Commission Regulations 3.710(a)-1 – 3.730-1, prohibit the public officials who approved this Amendment from receiving: (1) gifts, honoraria, emoluments or pecuniary benefits of a value in excess of $50; (2) any employment for compensation; or (3) any campaign contributions for any elective office for a period of up to six years from individuals and entities who are "public benefit recipients" of the contract. Public benefit recipients of the contract are: (1) the individual, corporation, firm, partnership, association, or other person or entity that is a party to the contract; (2) an individual or entity that has a direct 10% equity, or direct 10% participation, or direct 10% revenue interest in that party at the time this Amendment is executed; or (3) an individual who is a trustee, director, partner or officer of the contracting party at the time this Amendment is executed.

Contractor understands that any public official who approved this Amendment may not accept campaign contributions, gifts, or future employment from Contractor except as provided under the Conduct Code. Contractor agrees to notify any other individuals or entities that may be deemed "public benefit recipients" under the Conduct Code because of this Amendment. Upon request, Contractor agrees to furnish, before this Amendment is entered into, such information as any public official approving this Amendment may require in order to ensure such official's compliance with the Conduct Code. Upon request, the City agrees to provide, before this Amendment is entered into, Contractor with a list of public officials who, under the Conduct Code, will approve this Amendment. Failure of any public official who approved this Amendment to abide by the Conduct Code shall not constitute a breach by either the City or Contractor of this contract. Notwithstanding anything to the contrary in this contract, neither party shall have the right to terminate the contract due to any failure by the other party to provide the information described in this paragraph.

(c) Preservative-treated Wood Containing Arsenic. Section 52 is hereby added to the Agreement, as follows:

52. Preservative-treated Wood Containing Arsenic

As of July 1, 2003, Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase

preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

3. **Effective Date**. Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

4. **Legal Effect**. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and Authority have executed this Amendment as of the date first referenced above.

AUTHORITY AND/OR CITY

Recommended by:

_____
Annemarie Conroy, Executive Director
Treasure Island Development Authority

Approved as to Form:

Dennis J. Herrera
City Attorney

By _____
Deputy City Attorney

CONTRACTOR

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood paragraph 35, the Authority and/or City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

_____
Donna Feingold, Executive Director
Toolworks, Inc.
1119 Market Street Suite 300
San Francisco, CA 94103
FEIN: 94-2493384
Vendor No. 46565
415/621-8665

Notes

AGENDA ITEM
TREASURE ISLAND DEVELOPMENT AUTHORITY
City and County of San Francisco

Agenda Item No. 12 **Meeting of April 14, 2004**

Subject: Authorizing the Executive Director to execute a First Amendment to the Contract with Rubicon Enterprises, Inc. for landscaping and grounds maintenance services to extend the term of the contract from the period April 2003 through March 2004 to the end of the current Fiscal Year, June 30, 2004, and to add two sections regarding notification of limitations on contributions and the prohibition on Preservative-treated Wood Containing Arsenic.

Contact/Phone: Annemarie Conroy, Executive Director
Eila Arbuckle, Finance Manager
274-0660

SUMMARY OF PROPOSED ACTION

Authorize execution of a first amendment to the contract with Rubicon Enterprises, Inc., a member organization of the Treasure Island Homeless Development Initiative, for landscaping and grounds maintenance services to extend the current contract term to the end of the current Fiscal Year (June 30, 2004) and to add two sections regarding Notification of Limitations on Contributions and the prohibition on Preservative-treated Wood Containing Arsenic.

DISCUSSION

On April 9, 2003, the TIDA Board approved a contract with Rubicon Enterprises, Inc. for the period April 1, 2003 through March 31, 2004, for an amount not to exceed $950,000. Staff requests an extension of the term of this contract to June 30, 2004, to coordinate this contract with the Authority's fiscal year. In order to comply with the City's contract standards, staff also request approval of two new sections, one regarding notification of limitations on contributions and the other prohibiting the use of preservative-treated wood containing arsenic. Sufficient funds remain to fund the contract through the end of FY2004. A copy of the draft first amendment and a copy of the original contract are enclosed with this memorandum. Staff will return to the Authority with a new contract for FY 2005 in June 2004.

RECOMMENDATION

Staff recommends authorizing extending the term of the Rubicon contract and adding sections concerning notification of limitations on contributions and prohibiting the use of preservative-treated wood containing arsenic.

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A FIRST AMENDMENT TO THE CONTRACT WITH RUBICON ENTERPRISES, INC. TO EXTEND THE TERM OF THE CONTRACT TO PROVIDE LANDSCAPING AND GROUNDS MAINTENANCE SERVICES THROUGH JUNE 30, 2004, AND TO ADD TWO SECTIONS REGARDING NOTIFICATION OF LIMITATIONS ON CONTRIBUTIONS AND THE PROHIBITION ON PRESERVATIVE-TREATED WOOD CONTAINING ARSENIC.

WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, In 1995, the General Services Administration and the Bureau of Land Management determined that Yerba Buena Island was surplus to the Federal Government's needs and could be transferred to the administrative jurisdiction of the Department of Defense under the Base Closure and Realignment Act of 1990 and disposed of together with Treasure Island; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (I) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the Authority to administer the public trust for commerce, navigation and fisheries as to such property; and

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency for Treasure Island in 1997; and,

WHEREAS, the City and County of San Francisco negotiated a proposed Base Closure Homeless Assistance Agreement and Option to Lease Real Property with the Treasure Island Homeless Development Initiative, a California nonprofit corporation organized to utilize the resources of former naval base Treasure Island available to help fill gaps in the continuum of care for homeless persons and families, pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and,

WHEREAS, the Authority wishes to support the Treasure Island Homeless Development Initiative pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and

WHEREAS, the Authority authorized a twelve-month contract with Rubicon Enterprises Inc. on April 9, 2003; and

WHEREAS, the Authority and the Contractor wish to coordinate the contract term with the Authority's Fiscal Year; and,

WHEREAS, the Authority and the Contractor wish to comply with revisions to the City's contract standards;

Now, therefore be it RESOLVED, That the Authority hereby authorizes the Executive Director to execute a first amendment to the contract with Rubicon Enterprises, Inc., a California public benefit corporation, to extend the term of the contract through June 30, 2004, and to add two sections regarding notification of limitations on contributions and the prohibition on preservative-treated wood containing arsenic.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on April 14, 2004.

_____

William Fazande, Secretary

RECYCLED
80000 SERIES
30% P.C.W.

CITY AND COUNTY OF SAN FRANCISCO
TREASURE ISLAND DEVELOPMENT AUTHORITY
TREASURE ISLAND BUILDING ONE
410 AVENUE OF THE PALMS
SAN FRANCISCO, CALIFORNIA 94130

FIRST AMENDMENT

THIS AMENDMENT (this "Amendment") is made as of April 1, 2004, in San Francisco, California, by and between Rubicon Enterprises, Inc., a California nonprofit corporation and a member organization of the Treasure Island Homeless Development Initiative ("Contractor"), and the Treasure Island Development Authority, a municipal corporation ("Authority"), acting by and through its Executive Director.

RECITALS

WHEREAS, Authority and Contractor have entered into the Agreement (as defined below); and

WHEREAS, Authority and Contractor desire to modify the Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, Contractor and the Authority agree as follows:

1. **Definitions**. The following definitions shall apply to this Amendment:

(a) **Agreement**. The term "Agreement" shall mean the Agreement dated April 1, 2003 between Contractor and Authority.

(b) **Other Terms**. Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. **Modifications to the Agreement**. The Agreement is hereby modified as follows:

(a) **Section 2.** Section 2 Term of the Agreement currently reads as follows:

> **2. Term of the Agreement**
>
> Subject to Section 1, the term of this Agreement shall be from April 1, 2003 to March 31, 2004.

Such section is hereby amended in its entirety to read as follows:

> **2. Term of the Agreement**
>
> Subject to Section 1, the term of this Agreement shall be from April 1, 2003 to June 30, 2004.

(b) Notification of Limitations on Contributions. Section 51 is hereby added to the Agreement, as follows:

51. **Notification of Limitations on Contributions**

This paragraph applies if this Amendment is in excess of $50,000 and is for: (1) personal services; or (2) the selling or furnishing of any material, supplies or equipment; or (3) any combination of personal services and the selling or furnishing of any material, supplies or equipment. San Francisco Campaign and Governmental Conduct Code (the "Conduct Code") Section 3.700 *et. seq.,* and San Francisco Ethics Commission Regulations 3.710(a)-1 – 3.730-1, prohibit the public officials who approved this Amendment from receiving: (1) gifts, honoraria, emoluments or pecuniary benefits of a value in excess of $50; (2) any employment for compensation; or (3) any campaign contributions for any elective office for a period of up to six years from individuals and entities who are "public benefit recipients" of the contract. Public benefit recipients of the contract are: (1) the individual, corporation, firm, partnership, association, or other person or entity that is a party to the contract; (2) an individual or entity that has a direct 10% equity, or direct 10% participation, or direct 10% revenue interest in that party at the time this Amendment is executed; or (3) an individual who is a trustee, director, partner or officer of the contracting party at the time this Amendment is executed.

Contractor understands that any public official who approved this Amendment may not accept campaign contributions, gifts, or future employment from Contractor except as provided under the Conduct Code. Contractor agrees to notify any other individuals or entities that may be deemed "public benefit recipients" under the Conduct Code because of this Amendment. Upon request, Contractor agrees to furnish, before this Amendment is entered into, such information as any public official approving this Amendment may require in order to ensure such official's compliance with the Conduct Code. Upon request, the City agrees to provide, before this Amendment is entered into, Contractor with a list of public officials who, under the Conduct Code, will approve this Amendment. Failure of any public official who approved this Amendment to abide by the Conduct Code shall not constitute a breach by either the City or Contractor of this contract. Notwithstanding anything to the contrary in this contract, neither party shall have the right to terminate the contract due to any failure by the other party to provide the information described in this paragraph.

(c) **Preservative-treated Wood Containing Arsenic.** Section 52 is hereby added to the Agreement, as follows:

52. **Preservative-treated Wood Containing Arsenic**

As of July 1, 2003, Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated

wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

3. **Effective Date**. Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

4. **Legal Effect**. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and Authority have executed this Amendment as of the date first referenced above.

AUTHORITY

Recommended by:

_____

Annemarie Conroy, Executive Director
Treasure Island Development Authority

Approved as to Form:

Dennis J. Herrera
City Attorney

By _____
Deputy City Attorney

CONTRACTOR

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood paragraph 35, the Authority and/or City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

_____

Rick Aubry, President
Rubicon Enterprises, Inc.
154 South 23rd Street
Richmond, CA 94804
FEIN: 68-0353815
Vendor No. 46249
510/412-1771

Notes

AGENDA ITEM
TREASURE ISLAND DEVELOPMENT AUTHORITY
City and County of San Francisco

Agenda Item No. 13 **Meeting of April 14, 2004**

Subject: Authorizing the Executive Director to approve a Fourth Amendment to the Contract with URS Corporation, Inc. for consulting services related to the preparation of an environmental impact report for former naval station Treasure Island to add notification of limitations on contributions and a prohibition on the use of preservative-treated wood containing arsenic.

Contact/Phone: Annemarie Conroy, Executive Director
Eila Arbuckle, Finance Manager
274-0660

SUMMARY OF PROPOSED ACTION

Authorize execution of a fourth amendment to the contract with URS Corporation to add notification of limitations on contributions and a prohibition on the use of preservative-treated wood containing arsenic.

DISCUSSION

The TIDA Board originally approved the contract with URS Corporation for consulting services related to preparation of the environmental impact report for former naval station Treasure Island on March 1, 2001. This fourth amendment is needed to comply with the City's contract requirements. It adds notification of limitations on contributions and a prohibition on the use of preservative-treated wood containing arsenic.

RECOMMENDATION

Staff recommends authorizing execution of the URS contract amendment.

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A FOURTH AMENDMENT TO THE CONTRACT WITH URS CORPORATION, A NEVADA CORPORATION DBA URS CORPORATION AMERICAS TO ADD TWO SECTIONS REGARDING NOTIFICATION OF LIMITATIONS ON CONTRIBUTIONS AND THE PROHIBITION ON PRESERVATIVE-TREATED WOOD CONTAINING ARSENIC.

WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, In 1995, the General Services Administration and the Bureau of Land Management determined that Yerba Buena Island was surplus to the Federal Government's needs and could be transferred to the administrative jurisdiction of the Department of Defense under the Base Closure and Realignment Act of 1990 and disposed of together with Treasure Island; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (I) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the Authority to administer the public trust for commerce, navigation and fisheries as to such property; and

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency for Treasure Island in 1997; and,

WHEREAS, the Authority authorized a contract with URS on March 29, 2001 for consultant services required to prepare a programmatic Environmental Impact Report ("EIR") for former naval station Treasure Island; and

WHEREAS, the Authority authorized three subsequent amendments to the contract; and

WHEREAS, the Authority and the Contractor wish to comply with revisions to the City's contract standards;

Now, therefore be it RESOLVED, That the Authority hereby authorizes the Executive Director to execute a fourth amendment to the contract with URS Corporation, a Nevada Corporation dba URS Corporation Americas, to add two sections regarding notification of limitations on contributions and the prohibition on preservative-treated wood containing arsenic.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on April 14, 2004.

_____

William Fazande, Secretary

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TREASURE ISLAND DEVELOPMENT AUTHORITY
CITY AND COUNTY OF SAN FRANCISCO

FOURTH AMENDMENT

THIS FOURTH AMENDMENT (this "Amendment") is made as of April 1, 2004, in San Francisco, California, by and between URS Corporation, a Nevada corporation dba URS Corporation Americas, ("Contractor"), and the Treasure Island Development Authority, a municipal corporation ("Authority"), acting by and through its Executive Director ("Executive Director").

RECITALS

WHEREAS, Authority and Contractor have entered into the Agreement (as defined below); and

WHEREAS, Authority and Contractor desire to modify the Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, Contractor and the Authority agree as follows:

1. **Definitions**. The following definitions shall apply to this Amendment:

(a) Agreement. The term "Agreement" shall mean the Agreement dated March 1, 2001 between Contractor and Authority, as amended by a First Amendment dated July 1, 2002, a Second Amendment dated April 1, 2003, and a Third Amendment dated January 1, 2004.

(b) **Other Terms**. Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. **Modifications to the Agreement**. The Agreement is hereby modified as follows:

(a) Notification of Limitations on Contributions. Section 52 is hereby added to the Agreement, as follows:

52. Notification of Limitations on Contributions

This paragraph applies if this Amendment is in excess of $50,000 and is for: (1) personal services; or (2) the selling or furnishing of any material, supplies or equipment; or (3) any combination of personal services and the selling or furnishing of any material, supplies or equipment. San Francisco Campaign and Governmental Conduct Code (the "Conduct Code") Section 3.700 *et. seq.,* and San Francisco Ethics Commission Regulations 3.710(a)-1 – 3.730-1, prohibit the public officials who approved this Amendment from receiving: (1) gifts, honoraria, emoluments or pecuniary benefits of a value in excess of $50; (2) any employment for compensation; or (3) any campaign contributions for any elective office for a period of up to six years from individuals and entities who are "public benefit recipients" of the contract. Public benefit recipients of the contract are: (1) the individual, corporation, firm, partnership, association, or other person or entity that is a party to the contract; (2) an individual or entity that

has a direct 10% equity, or direct 10% participation, or direct 10% revenue interest in that party at the time this Amendment is executed; or (3) an individual who is a trustee, director, partner or officer of the contracting party at the time this Amendment is executed.

Contractor understands that any public official who approved this Amendment may not accept campaign contributions, gifts, or future employment from Contractor except as provided under the Conduct Code. Contractor agrees to notify any other individuals or entities that may be deemed "public benefit recipients" under the Conduct Code because of this Amendment. Upon request, Contractor agrees to furnish, before this Amendment is entered into, such information as any public official approving this Amendment may require in order to ensure such official's compliance with the Conduct Code. Upon request, the Authority and/or City agree to provide, before this Amendment is entered into, Contractor with a list of public officials who, under the Conduct Code, will approve this Amendment. Failure of any public official who approved this Amendment to abide by the Conduct Code shall not constitute a breach by the Authority, the City or Contractor of this contract. Notwithstanding anything to the contrary in this contract, neither party shall have the right to terminate the contract due to any failure by the other party to provide the information described in this paragraph.

(b) Preservative-treated Wood Containing Arsenic. Section 53 is hereby added to the Agreement, as follows:

53. Preservative-treated Wood Containing Arsenic

As of July 1, 2003, Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

3. **Effective Date**. Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

4. **Legal Effect**. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and Authority have executed this Amendment as of the date first referenced above.

AUTHORITY

Recommended by:

_____
Annemarie Conroy, Executive Director
Treasure Island Development Authority

Approved as to form

Dennis J. Herrera
City Attorney

By _____
Deputy City Attorney

CONTRACTOR

By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off.

I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

_____
Denise Heick, Vice President
URS Corporation
221 Main Street Suite 600
San Francisco CA 94105-1917
(415) 896-5858
FEIN: 94-1716908
Vendor No: 19103

Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution Authorizing the Authority to Extend the Term Of the Master Lease with the United States Navy for Property Which Includes the Gymnasium, the Shipshape, the Life Learning Academy and Other Related Buildings (Action Item)

Agenda Item No. 14
Meeting of April 14, 2004

Contact/Phone: Annemarie Conroy, Executive Director
Jack Sylvan, Director of Development
274-0660

SUMMARY OF PROPOSED ACTION

Staff requests authorization to extend the Master Lease with the United States Navy, which includes the Gymnasium and Shipshape Fitness Center, and the Delancey Street Life Learning Academy and other related buildings, through December 31, 2004.

DISCUSSION

On April 5, 1997, the Treasure Island Development Authority entered into a lease agreement with the United States Navy for Master Lease (Lease# N6247499RP00B08), called the "Police Academy/Sheriff's Center" Master Lease. At that time, the leased premises were planned to be used by the San Francisco Police Academy. The lease premises include Buildings 217, 229 (the Life Learning Academy), 402 (the Gymnasium), 461, 462, 463, 497 (the Shipshape Fitness Center), 670 and 671.

The Delancey Street Foundation's Life Learning Academy, a diploma-granting San Francisco Unified School District Charter School is designed to serve 60 high-school aged youths who have not been successful in other school settings, has occupied Building 229 for the past several years. For the past two years, the Treasure Island Homeless Development Initiative has been using Building 497 as its Shipshape Fitness Center. This building serves as a community center that provides recreational and other programs for Treasure Island residents. In addition, the Authority is currently overseeing and paying for renovations to the Gymnasium, which is expected to be open in the coming months as an amenity and resource for current and future Treasure Island and Yerba Buena Island residents and community members. Extending the term of the Master Lease will allow the Authority to continue to support the provision of public benefits provided by the Shipshape, Gymnasium and Life Learning Academy buildings and programs.

RECOMMENDATION

Staff recommends approval to extend the Master Lease (Lease# N6247499RP00B08) through December 31, 2004.

EXHIBITS

Map of Leased Premises for the Police/Sheriff's Center Master Lease and copy of Second Amendment to Lease Agreement #N6247499RP00B08 Between US Navy and TIDA

FILE NO. _____ RESOLUTION NO. _____

[Master Lease Amendments]

AUTHORIZING AN AMENDMENT TO THE POLICE ACADEMY/SHERIFF'S CENTER MASTER LEASE BETWEEN THE AUTHORITY AND THE UNITED STATES NAVY TO EXTEND THE TERM UNTIL DECEMBER 31, 2004.

WHEREAS, the Authority and the United States of America, acting by and through the Department of the Navy (the "Navy"), entered into a master lease, dated April 5, 1997, for the following buildings 217, 229, 402, 461, 462, 463, 497, 670 and 671; and

WHEREAS, the master lease enables the Authority to sublease portions of the master lease areas for interim uses; and

WHEREAS, the area covered by the Master Lease is depicted on Exhibit A, attached; and

WHEREAS, the Authority and the Navy wish to extend the term of the master lease from April 4, 2004 to December 31, 2004; now therefore be it

RESOLVED, That the Board of Directors hereby authorizes the Executive Director to enter into an amendment to the Master Lease for the Police Academy/Sheriff's Center to extend the term of the master lease from April 4, 2004 to December 31, 2004.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on April 14, 2004.

_____
William Fazande

80000 SERIES
RECYCLED 30% P.C.W

SECOND AMENDMENT
TO LEASE AGREEMENT N6247499RP00B08
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2004 by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, on respective dates, entered into a Lease Agreement N6247499RP00B08 under the terms of which the Lessee uses certain real property for space located at the former Naval Station Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following Paragraph of Lease Agreement N6247499RP00B08 is hereby amended to reflect the following change;

Paragraph 2. TERM: Delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall begin on the date set forth above and expire on December 31, 2004 unless sooner terminated in accordance with the provisions of this Lease."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

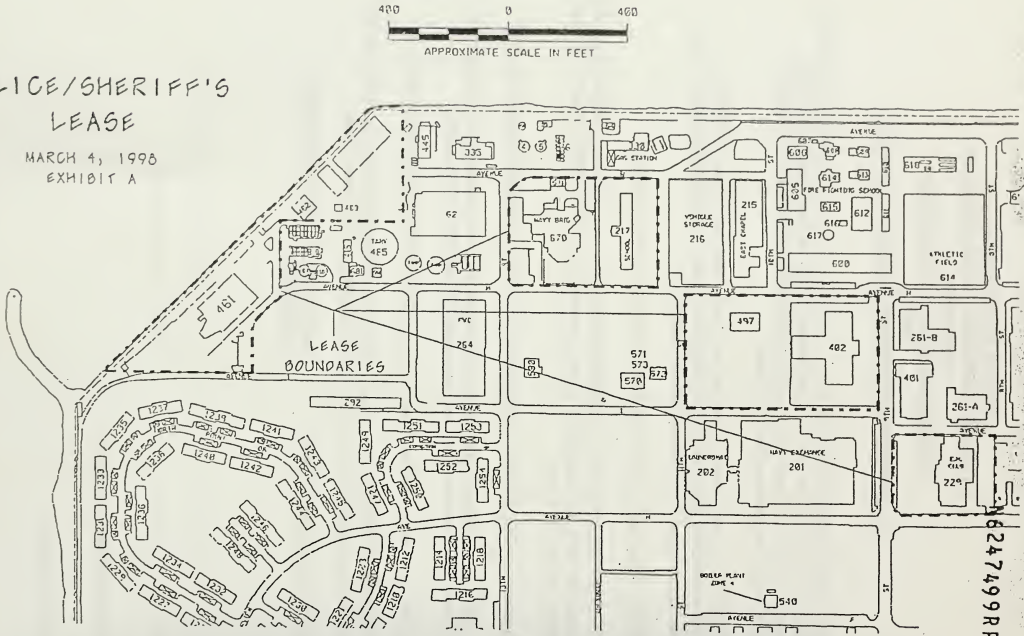
UNITED STATES OF AMERICA	TREASURE ISLAND DEVELOPMENT AUTHORITY
_____	_____
Title_____	Title_____

APPROVED AS TO FORM:

_____
CITY ATTORNEY

POLICE/SHERIFF'S LEASE

MARCH 4, 1998
EXHIBIT A



N6247499RP00B08

Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda No: 15 **Meeting Date:** 04/14/2004

Subject: Resolution Authorizing the Executive Director To Execute an Amendment to Extend the Term of the Master License with the U.S. Navy for Use of the Cable System on Treasure and Yerba Buena Islands Through December 31, 2004 (Action Item)

Staff Contact: Jack Sylvan, Director of Development
(415) 274-0660

SUMMARY OF PROPOSED ACTION
Staff requests the approval to amend the term of the Master License with the U.S. Navy for use of the former Naval Station Treasure Island cable television system through December 31, 2004.

BACKGROUND
On October 14, 1998, the Treasure Island Development Authority, (the "Authority"), entered into a Master License with the United States Navy (the "Navy") for use of the Cable Television System (License #N6247499RP00B26) at former Naval Station Treasure Island ("NSTI"). In turn, the Authority entered into a Cable Television Sublicense ("Sublicense") with Television Signal Corporation ("TSC") for the right to provide cable television service to former NSTI.

On June 12, 2002, the Authority approved a resolution approving a request by AT&T Corp. for a change of control of the Sublicense to AT&T Comcast Corp., subject to specified terms and conditions since fulfilled by AT&T Comcast Corp. AT&T Comcast Corp. informed the Authority in December 2002 that the cable operations had changed its name to Comcast of California III, Inc ("Comcast"). Comcast has since submitted plans to perform alterations to the existing cable system to provide high-speed cable service to the residents and tenants at former NSTI consistent with the service being provided throughout the City and County of San Francisco.

The Master License with the U.S. Navy expired on October 14, 2003. Staff wishes to retroactively extend the term of the license from October 15, 2003 through December 31, 2004.

RECOMMENDATION
Staff recommends approval by the Authority to amend the term of the Master License for the cable system on Treasure and Yerba Buena islands through December 31, 2004.

EXHIBITS
A Amendment to Master License #N6247499RP00B26 between US Navy and TIDA for Use of Cable Television System

FILE NO. _____ RESOLUTION NO. _____

[Cable Television Master License Amendment]

AUTHORIZING AN AMENDMENT TO EXTEND THE TERM OF THE CABLE TELEVISION MASTER LICENSE BETWEEN THE AUTHORITY AND THE UNITED STATES NAVY UNTIL DECEMBER 31, 2004.

WHEREAS, the Authority and the United States of America, acting by and through the Department of the Navy (the "Navy"), entered into a master license for use of the Cable Television System (License #N6247499RP00B26), dated October 14, 1998; and,

WHEREAS, the Master License enables the Authority to sublease portions of the master license area for interim uses; and,

WHEREAS, on June 12, 2002, the Authority approved a sublicense of such master license area to AT&T Corp., which through merger and acquisition has become Comcast; and,

WHEREAS, Comcast wishes to perform alterations to the existing cable system in the master license area to provide high-speed cable service to the residents and tenants on Treasure Island and Yerba Buena Island; and,

WHEREAS, the Master License with the Navy expired on October 14, 2003; and,

WHEREAS, the Authority and the Navy wish to amend the Master License to extend the term of the Master License retroactively from October 15, 2003 through December 31, 2004; now therefore be it

RESOLVED, That the Board of Directors hereby authorizes the Executive Director to enter into an amendment to the Master License to extend the term from October 15, 2003 to December 31, 2004.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on April 14, 2004.

_____
William Fazande, Secretary

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AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE	PAGE OF PAGES
N6247499RP00B26	1 | 2

2. AMENDMENT/MODIFICATION NO.	3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
(Two) 02	14 OCTOBER 2003		

6. ISSUED BY CODE 06CAJB

SOUTHWEST DIVISION
NAVAL FACILITIES ENGINEERING COMMAND
REAL ESTATE DEPARTMENT
1220 PACIFIC HIGHWAY
SAN DIEGO, CA 92132-5190

7. ADMINISTERED BY (If other than Item 6) CODE

See block 6

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county State and ZIP Code)

Treasure Island Development Authority (TIDA)
410 Palm Avenue, Bldg. 1
Room 230
San Francisco, CA 94132

CODE FACILITY CODE

9A. AMENDMENT OF SOLICITATION NO.

9B. DATED (SEE ITEM 11)

10A. MODIFICATION OF CONTRACT/ORDER NO. N6247499RP00B26

10B. DATED (SEE ITEM 13) 7 April 2004

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference of the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

	A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.
	B. THE ABOVE NUMBERED CONTRACT/ORDERED IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).
	C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:
✔	D. OTHER (Specify type of modification and authority)

E. IMPORTANT: Contractor ☐ is not, ☑ is required to sign this document and return 2 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible)

REFER TO PAGE TWO FOR FULL DESCRIPTION OF MODIFICATIONS.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect

15A. NAME AND TITLE OF SIGNER (Type or print)		16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)	
ANNMARIE CONROY, Executive Director, TIDA		CHRISTOPHER HASKET RealEstate Contracting Officer	
15B. CONTRACTOR/OFFEROR	15C. DATE SIGNED	16B. UNITED STATES OF AMERICA	16C. DATE SIGNED
BY _____ (Signature of Person Authorized to Sign)		BY _____ (Signature of Contracting Officer)	7 APRIL 2004

CONTRACT ID CODE: N6247499RP00B26

14. DESCRIPTION OF AMENDMENT / MODIFICATION

a. DELETE ITEM 2. "DATES COVERED" in its entirety and the following paragraph is inserted therefore:

"FROM 15 OCTOBER 1999 TO 31 DECEMBER 2004"

b. DELETE ITEM 3. "DESCRIPTION OF PROPERTY" in its entirety and the following paragraph is inserted therefore:

"Portions of property owned by Licensor on Treasure Island and Yerba Buena Island shown on Exhibit A attached hereto and made part hereof excluding areas of United States Coast Guard property on Yerba Buena Island."

c. DELETE ITEM 5a "LOCAL REPRESENTATIVE, DEPARTMENT OF NAVY OFFICIAL" in its entirety and the following paragraph is inserted therefore:

"LOCAL REPRESENTATIVE, DEPARTMENT OF NAVY OFFICIAL
Commanding Officer, Southwest Division
Naval Facilities Engineering Command
1220 Pacific Highway
San Diego, CA 92132-5190."

d. ADD TO SPECIAL PROVISIONS, Sub item 22:

"Licensor may, at Licensor's sole discretion, permit Licensee or any Sublicensee to abandon in place all or portions of any alterations or improvements made or installed by Licensee or its Sublicensee. Ownership of all improvements, alterations or betterments subject to such abandonment shall rest with the Licensor."

e. ADD TO SPECIAL PROVISIONS, Sub item 23:

"Rights granted herein apply to existing cable infrastructure in areas of Licensor's property depicted by exhibit A-1. In addition, Licensee is permitted use of Licensor-owed utility poles on the property of the United States Department of Labor (DoL) as shown on Exhibit A-1, to the extent existing cable infrastructure is mounted on said poles and provided that Licensee or any sub-Licensee obtains authorized written access to DoL property needed to operate and maintain the cable system in accordance with the provisions of this License."

f. ADD TO SPECIAL PROVISIONS, Sub item 24:
"Licensor acknowledges that Licensee's sublicensee, Comcast of California III, Inc., intends to upgrade and repair conduit, wires, cables, and other facilities in connection with such sublicensee's provision of Cable Services to buildings on Treasure Island and Yerba Buena Island. This License does not authorize for the installation, placement or erection or equipment in any location other than where the present Navy cable system exists."

Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution Authorizing the Executive Director to Execute a 2nd Amendment to the Sublease with Rex Liu for the Photo Booth on a Month-to-Month Basis Not to Exceed December 31, 2005. (Action Item)

Agenda Item No. 16
Meeting of April 14, 2004

Contact/Phone: Annemarie Conroy, Executive Director
Tina Pasco-Sanchez, Project Administrator
274-0660

BACKGROUND

On October 15, 1999, the Executive Director entered into a month-to-month sublease with Mr. Liu for the use of the Photo Booth (located near the front entrance to the Island) as a retail shop for film, cameras, picture taking, and souvenirs. Monthly rent for the facility was set at $500.00. On April 12, 2000, April 11, 2001, and April 10, 2002 the Authority approved separate resolutions, each extending the term of the sublease for an additional twelve months. On April 9, 2003, the Authority approved the First Amendment to the sublease extending the term for an additional 12 months and requiring Mr. Liu to provide quarterly reports of gross revenues earned from the Premises.

Mr. Liu has submitted quarterly reports of gross revenues which indicate gross revenues of approximately $30,557.00 earned by the photo booth during the period from January 1, 2003 to December 31, 2003. The sublease will expire on April 15, 2005. If the resolution is approved by the Authority, the sublease will continue on a month-to-month basis expiring on December 31, 2005. Any additional amendments to the sublease to extend the term will be subject to the Authority's approval.

RECOMMENDATION

Staff recommends approval of the resolution authorizing the Executive Director to continue the sublease with Mr. Rex Liu on a month-to-month term from April 15, 2004 through December 31, 2005.

EXHIBITS

Fifth Amendment to Sublease
2003 Quarterly Gross Revenues

[Continuation of Month-to-Month Sublease for the Photo Booth]

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO CONTINUE THE SUBLEASE WITH MR. REX LIU FOR THE USE AND OPERATION OF THE PHOTO BOOTH ON A MONTH-TO-MONTH BASIS NOT TO EXCEED DECEMBER 31, 2005.

WHEREAS, former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, the Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under the California Redevelopment Law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and

WHEREAS, The Tidelands Trust prohibits the sale of trust property into private ownership, generally requires that Tidelands Trust property be accessible to the public and encourages public-oriented uses of Tidelands Trust property that, among other things, attract people to the waterfront, promote public recreation, protect habitat and preserve open space; and

WHEREAS, According to the Sections 10 and 12 of the Authority's Rules and Procedures for Transfer of Real Property, adopted March 11, 1998, the Executive Director may enter into month-to-month or shorter term leases, licenses or subleases for a cumulative term of no more than six months without competitive bidding or the separate approval of the Authority; and,

WHEREAS, the Photo Booth is an amenity to Treasure Island, tourists, and visitors; and,

WHEREAS, On October 15, 1999, the Executive Director entered into a month-to-month sublease with Mr. Rex Liu for use of the Photo as a retail shop for film, camera, picture-taking, and souvenirs at $500 per month as the base rent; and,

WHEREAS, On April 12, 2000, April 11, 2001 and April 10, 2002 the Authority approved separate resolutions, each extending the term of the sublease for an additional twelve months; and,

WHEREAS, On April 9, 2003 the Authority approved the 1st Amendment to the Sublease with Mr. Liu, extending the term of the Sublease on a month-to-month basis until April 15, 2004, provided that Mr. Liu provide quarterly reports of all gross revenues eared from the Premises; and,

WHEREAS, Mr. Liu has submitted quarterly reports as required by the 1st Amendment; and,

WHEREAS, Mr. Liu wishes to continue to use the Photo Booth and Authority staff recommend extending the Sublease on a month-to-month basis not to exceed December 31, 2005; now therefore be it

RESOLVED, That the Authority hereby authorizes the Executive Director to execute an amendment to the sublease in substantially the form attached hereto as Exhibit A to continue the term of the sublease on a month-to-month basis not to exceed December 31, 2005.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and

that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at the Properly noticed meeting on April 14, 2004.

_____

William Fazande, Secretary

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SECOND AMENDMENT TO

SUBLEASE

between

THE TREASURE ISLAND DEVELOPMENT AUTHORITY

as Sublandlord

and

Rex Liu, a sole proprietor,

as Subtenant

For the Sublease of

The Photo Booth at Naval Station Treasure Island
San Francisco, California

April 14, 2004

SECOND AMENDMENT TO
TREASURE ISLAND SUBLEASE

THIS SECOND AMENDMENT TO SUBLEASE (the "Second Amendment"), dated as of April 14, 2004, is entered into by and between the Treasure Island Development Authority ("Sublandlord") and Rex Liu, a sole proprietor ("Subtenant"). From time to time, Sublandlord and Subtenant together shall be referred to herein as the "Parties".

This Amendment is made with reference to the following facts and circumstances:

A. On October 15, 1999, the Executive Director entered into a month-to-month sublease with Mr. Rex Liu for use of the Photo as a retail shop for film, camera, picture-taking, and souvenirs at $500 per month as the base rent. Said sublease, as amended from time to time as described hereinbelow, is collectively referred to as the "Sublease."

B. On April 12, 2000, April 11, 2001, and April 10, 2002 the Authority approved continuation of the sublease on a month-to-month basis for an additional twelve months.

C. On April 15, 2003, the Authority approved the 1st Amendment to the Sublease with Mr. Liu, extending the term of the Sublease on a month-to-month basis until April 15, 2004, provided that Subtenant provide Sublandlord with quarterly reports of all gross revenues earned from the Premises.

D. Mr. Liu wishes to again extend the term of the Sublease, and Authority staff recommend extending the Sublease on a month-to-month basis not to exceed December 31, 2005.

NOW THEREFORE, Sublandlord and Subtenant agree to amend the Sublease as follows:

1. Section 3.1 of the Sublease is hereby amended in its entirety to read as follows:

"3.1 **Term of Sublease.** The term of this Sublease (the "Term") shall be on a month-to month basis not to exceed December 31, 2005. Subtenant hereby acknowledges that the underlying Master Lease with the Navy currently is scheduled to terminate on September 3, 2004, and that Sublandlord anticipates but cannot guarantee that the Navy will extend the term of such Master Lease through December 31, 2005. In the event that the Navy refuses to extend the term of the Master Lease, Subtenant agrees that this Sublease shall terminate on September 3, 2004.""

2. Except as expressly modified herein, all other terms, conditions, and covenants of the Sublease, including without limitation, the amount of the monthly rent to be paid hereunder (as modified by previous amendments to the Sublease), shall remain in full force and effect.

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Sublandlord and Subtenant have executed this Sublease in triplicate as of the date first written above.

SUBTENANT:

Rex Liu, a sole proprietor

By: _____
Rex Liu

SUBLANDLORD:

The Treasure Island Development Authority

By: _____
Its: Executive Director

Approved as to Form:

DENNIS J. HERRERA,
City Attorney

By _____
Deputy City Attorney

Notes

AGENDA ITEM

Treasure Island Development Authority

City and County of San Francisco

Agenda Item No. 17 **April 14, 2004**

Subject: Resolution Authorizing the Executive Director to Enter into the Fourth Amendment for the Sublease with San Francisco Little League to Extend Use of The Little League Ball Field for an Additional Twenty-one Months Term. (Action Item)

Contact Person/Phone: Annemarie Conroy, Executive Director
Tina Pasco-Sanchez, Project Administrator
(415) 274-0660

SUMMARY OF PROPOSED ACTION:

Staff requests authorization to enter into a Fourth Amendment with the San Francisco Little League to extend the term for an additional twenty-one months to expire on December 31, 2005 for the seasonal use of the Little League Ball Field located at Avenue N and Fourth Street on Treasure Island.

BACKGROUND:

In January 2000, the Authority authorized the Executive Director to execute a sublease with the San Francisco Little League (SFLL) for the use of the Little League Ball Field located at 5th Street and Avenue N on Treasure Island. The Authority has since approved of three separate amendments, the First on February 14, 2001, the Second on March 14, 2002 and the Third on August 13, 2003. This resolution is the Fourth Amendment and requests authorization to extend the term through December 31, 2005. The extension allows SFLL to continue to use the field as their home field for the Youth Baseball League season.

Under the terms of the original sublease, SFLL was responsible for renovating the field to bring it to playable condition and has since provided the ongoing maintenance of the field. In exchange, SFLL receives preferential scheduling of the field and the Authority waives any rental fees. In addition, SFLL is required to make the field available for residents such as TIHDI, the Delancey Life Street Learning Academy, the Treasure Island Elementary School, and John Stewart residents. Providing use of the field to the SFLL meets one of the Authority's primary objectives during the period of interim management of former Naval Station Treasure Island of using the housing revenues to support programs that provide a substantial public benefit to the community of Treasure Island and the City and County of San Francisco.

RECOMMENDATION:

San Francisco Little League has continued to meet its obligation to maintain the field for all users throughout the entire year, and therefore staff recommends approval to enter into

the Fourth Amendment with SFLL to extend the term for twenty-one months retroactively from March 14, 2004 through December 31, 2005.

Exhibits:
Fourth Amendment to Sublease.

[Sublease of Baseball Field to San Francisco Little League]

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE FOURTH AMENDMENT TO THE SUBLEASE WITH THE SAN FRANCISCO LITTLE LEAGUE TO EXTEND THE TERM FOR USE OF THE LITTLE LEAGUE FIELD FOR TWENTY-ONE MONTHS TO DECEMBER 31, 2005.

WHEREAS, On May 2, 1997, the Board of Supervisors (the "Board") passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Tidelands Trust prohibits the sale of trust property into private ownership, generally requires that Tidelands Trust property be accessible to the public and encourages public-oriented uses of trust property that, among other things, attract people to the waterfront, promote public recreation, protect habitat and preserve open space; and,

WHEREAS, In order to facilitate productive reuse and job creation on the Base, it may be beneficial for the Authority to lease or license property from the Navy and, in turn, sublease or sublicense such property to third-parties or use such property for municipal purposes; and,

WHEREAS, At its December 8, 1999 meeting, the Authority approved a resolution authorizing staff to execute a sublease ("Original Sublease") with the San Francisco Little League ("Subtenant") for the use of a baseball field on Treasure Island (the "Premises"); and,

WHEREAS, The term of the Original Sublease was from January 1, 2000 to March 14, 2001; and,

WHEREAS, On February 14, 2001, the Authority approved the First Amendment to extend the term of the Sublease through March 14, 2002; and

WHEREAS, On March 14, 2002, the Authority approved the Second Amendment to extend the term of the Sublease through March 14, 2003; and,

WHEREAS, On August 13, 2003, the Authority approved a Third Amendment to extend the term of the Sublease through March 14, 2004; and

WHEREAS, The Subtenant has requested an extension of the termination date for twenty-one months to December 31, 2005; and,

WHEREAS, Subtenant has acted in good faith to meet the obligations set forth in the Original Sublease for renovations and access to the field for priority groups; Now, therefore, be it

RESOLVED, That the Authority hereby approves and authorizes the Executive Director to execute an amendment to the Original Sublease with Subtenant to extend the term for twenty-one months to December 31, 2005.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on April 14, 2004.

William Fazande, Secretary

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FOURTH AMENDMENT TO SUBLEASE
between

THE TREASURE ISLAND DEVELOPMENT AUTHORITY

as Sublandlord

and

THE SAN FRANCISCO LITTLE LEAGUE
a non-profit public benefit corporation
as Subtenant

For the Sublease of

The Little League Field
at Former Naval Station Treasure Island
San Francisco, California

FOURTH AMENDMENT TO TREASURE ISLAND SUBLEASE

THIS FOURTH AMENDMENT TO SUBLEASE (the "Fourth Amendment"), dated as of this 14 day of March 2004, is by and between the Treasure Island Development Authority ("Sublandlord") and the San Francisco Little League ("Subtenant')

This Sublease is made with reference to the following facts and circumstances:

A. Subtenant and Sublandlord entered into that certain sublease, dated January 1, 2000, and three (3) subsequent amendments thereto (collectively, the "Sublease") for the use of the Little League Field located by the intersection of 4th Avenue and Avenue N on Treasure Island, as more particularly shown on the map attached to the Original Sublease as Exhibit B (the "Original Premises").

B. Subtenant and Sublandlord desire to amend the Sublease to extend the term.

NOW THEREFORE, Sublandlord and Subtenant hereby agree as follows:

1. Defined Terms. Capitalized terms not separately defined herein shall have the same meaning provided in the Original Sublease.

2. Term of Sublease. The Term described in Section 3.1 of the Sublease is hereby amended to terminate on December 31, 2005. Subtenant hereby acknowledges that the underlying Master Lease with the Navy currently is scheduled to terminate on September 3, 2004, and that Sublandlord anticipates but cannot guarantee that the Navy will extend the term of such Master Lease through December 31, 2005. In the event that the Navy refuses to extend the term of the Master Lease, Subtenant agrees that this Sublease shall terminate on September 3, 2004.

3. Terms and Conditions of Sublease Remain in Force and Effect. Except as specifically amended hereby, the terms and conditions of the Sublease, as amended by this Amendment, shall remain in full force and effect.

4. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

Sublandlord and Subtenant have executed this Amendment as of the date first written above.

SUBTENANT:

SAN FRANCISCO LITTLE LEAGUE

By:_____
Its: _____

SUBLANDLORD:

THE TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Annemarie Conroy
Its: Executive Director

Approved as to Form:

DENNIS J. HERRERA,
City Attorney

By: _____
Deputy City Attorney

Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution Authorizing the Executive Director to Execute a Third Amendment to the Sublease with Delancey Street Foundation to Extend the Term, Reflect Tenant Improvement Expenses, Adjust Rent Provisions and Require Reporting of Annual Gross Receipts (Action Item)

Agenda Item No. 18
Meeting of April 14, 2004

Contact/Phone: Annemarie Conroy, Executive Director
Jack Sylvan, Director of Development
274-0660

SUMMARY OF PROPOSED ACTION

Staff is requesting approval of an amendment to the Sublease with the Delancey Street Foundation to modify provisions regarding (i) the term; (ii) reflect tenant improvement expenses; (iii) adjust rent provisions; and (iv) require reporting of annual gross receipts.

BACKGROUND

On October 1, 1998, the Authority entered into a Sublease with the Delancey Street Foundation (Delancey Street) for use of Building 229 as a Life Learning Academy and Buildings 183 and 298 as a coffee shop/café and vocational program for culinary arts. On September 13, 2000, in response to a request by Delancey Street, the Authority approved a Second Amendment to the Sublease to reduce the premises by excluding Building 298. Currently, Delancey Street's presence at Treasure Island consists of:

- Building 229. The Life Learning Academy (LLA), a diploma-granting San Francisco Unified School District Charter School designed to serve 60 high-school aged youths who have not been successful in other school settings.
- Building 183. The Crossroads Café, a full-service café operated by LLA faculty and staff Mondays through Thursdays during breakfast and lunch hours, serving Treasure Island residents, workers, students and visitors.

Under the terms of the original Sublease, rent or consideration for use of the premises consisted of the following elements:

1. A requirement to make improvements to the buildings (Required Improvements),
2. Pay all expenses associated with Common Area Maintenance (CAM) charges, and
3. After recovering its costs of making the Required Improvements to the Café from gross revenues, the Authority would receive monthly 2% of gross receipts from operating the Café as percentage rent.

Required Improvements

The Café building required extensive improvements in order to make it functional as a restaurant and to bring the building into compliance with the City's building code. Delancey Street completed substantial upgrades involving, among others, foundation work, seismic upgrades, the installation of an ADA-compliant bathroom, ADA-compliant access ramps, the demolition and renovation of a working kitchen, and upgrades of electrical, water and gas systems. The cost of performing this work totaled $85,500 (or approximately $57.00 per square foot). Per the terms of the original Sublease, these expenses are treated as a rent credit against the gross revenues towards which percentage rent would be calculated.

Percentage Rent

As stated previously, the original Sublease stated that percentage rent to the Authority would be based on 2% of gross receipts after Delancey Street had recovered the cost of making the improvements. For the three years of 2001, 2002 and 2003, the Crossroads Café has received gross receipts of approximately $213,000. While there is some ambiguity how the improvement allowance credit should be allocated, it appears the intent would be reflected by Delancey Street owing percentage rent on 2% of $213,000 less the $85,500 improvement expenses, or $127,500. The percentage rent associated with these gross receipts would have been approximately $2,550.

As the Authority is aware, one of the primary objectives of the Treasure Island Development Authority during the period of interim management of former Naval Station Treasure Island has been to utilize the revenues generated by the housing to support programs that provide a public benefit, including the Delancey Street Life Learning Academy, the Crossroads Café run by Delancey Street, the Treasure Island Sailing Center, San Francisco Little League, the Treasure Island Homeless Development Initiative, Rubicon Enterprises and Toolworks. Staff believes that the Café provides a substantial public benefit by providing food service to residents, workers, students and visitors to Treasure Island, as well as serving as a training and educational facility for the students of the Life Learning Academy. It is also clear that the staff time required to monitor percentage rent payments associated with revenues from the Café operations would be greater than the actual payments received.

Consequently, staff recommends removing the percentage rent clause from the terms of the Sublease retroactive to the commencement of the Sublease and requiring Delancey Street to report to the Authority annual gross receipts from operation of the Café so that the Authority may determine in the future whether a form of base rent is an appropriate means for the Authority to capture revenue associated with the Café.

Common Area Maintenance Charges

All premises under the Sublease have been assessed a CAM charge. Each year, Delancey Street applies for grant monies to allocate towards payment of CAM charges to the Authority. This source of funds is uncertain for the future as a result of the State and Federal budget limitations. To date, Delancey Street has been able to pay a substantial portion of the CAM charges assessed during the previous years of the Sublease, but currently has an outstanding balance through the end of March of $19,560.

The Authority has received a request from the San Francisco Unified School District (SFUSD) that the premises of the Sublease be consistent with the treatment of other SFUSD facilities at Treasure Island. Another SFUSD public school, the Treasure Island Elementary School does not pay CAM charges as part of its use of the facility. Consistent with the prior discussion in this summary, staff believes that the LLA provides a substantial public benefit to Treasure Island and the City and County of San Francisco. As such, staff recommends that the Authority grant the request of the SFUSD and waive future CAM charges associated with the premises covered in the Sublease.

In addressing the outstanding balance of CAM charges, staff recommends that the charges be carried forward over the term of the Sublease, without penalty or assessment of fees. Staff will work with Delancey Street to establish a payment plan or identify grant funds that may be used to offset facilities expenses. At the end of each 12-month period, staff would report on Delancey Street's progress in reducing the balance and evaluate whether to pursue payment of the outstanding balance or waiving the remaining accrued charges.

Term Extension

Consistent with other Subleases and Master Leases, the amendment includes an extension of the term of the Sublease with Delancey Street through December 31, 2005.

RECOMMENDATION

Staff recommends approval of the proposed amendment to the sublease.

EXHIBITS

A Third Amendment to Sublease Between Delancey Street Foundation and TIDA

B Letter from San Francisco Unified School District

FILE NO. _____ RESOLUTION NO. _____

[Extending Term and Amending Rent and CAM Charge provisions in Delancey Street Foundation Sublease]

AUTHORIZING THE EXECUTIVE DIRECTOR TO AMEND THE SUBLEASE WITH DELANCEY STREET FOUNDATION TO EXTEND THE TERM OF THE SUBLEASE TO DECEMBER 31, 2005, WITH NO FURTHER OPTIONS TO EXTEND, REMOVE THE REQUIREMENT TO PAY PERCENTAGE RENT, REMOVE THE OBLIGATION TO PAY MONTHLY CAM CHARGES AFTER MAY 1, 2004, AND ESTABLISH A PAYMENT PLAN FOR PAST DUE CAM CHARGES.

WHEREAS, on September 16, 1998, the Board of Directors of the Authority approved a sublease (the "Sublease"), a copy of the Sublease, as amended, is attached hereto as Exhibit A, with Delancey Street Foundation ("Subtenant") for the use of Buildings 183, 298, and 229 (the " Premises") for a coffee shop/café, a vocational program for culinary arts, and the Life Learning Academy; and,

WHEREAS, on October 30, 1998, the Sublease was amended to recognize the rights of the Treasure Island Homeless Development Initiative in connection with Subtenant's rights, and on September 13, 2000, the Authority authorized an amendment to the Sublease to exclude Building 229 from the Premises; and,

WHEREAS, the primary purpose of the Sublease, as amended, is to provide (1) a suitable location for the Life Learning Academy charter school for at-risk boys and girls from San Francisco, (2) a suitable location for a vocational program for culinary arts, and (3) a coffee shop/café staffed by students of the Life Learning Academy culinary arts program serving the visitors and residents of Treasure Island and Yerba Buena Island; and,

WHEREAS, the Sublease grants to Subtenant five (5) successive one-year options to extend the Term of the Sublease, and Subtenant has previously exercised its fourth option to extend; and,

WHEREAS, in consideration of the substantial public purposes served by the Sublease of benefit to the Treasure Island/Yerba Buena Island community as well as the residents of the City and County of San Francisco, the parties wish to amend the Sublease to (i) extend the term to December 31, 2005, (ii) remove the obligation to pay percentage rent, and (iii) remove the obligation to pay CAM Charges after May 1, 2004 but establish a payment plan for past due CAM Charges; now therefore be it

RESOLVED: That the Board of Directors hereby approves (i) the extension of the term of the Sublease to December 31, 2005, with no further options to extend, (ii) the removal of the obligation to pay percentage rent, and (iii) the removal of the obligation to pay CAM Charges after May 1, 2004 for the remainder of the Term, provided that the removal of the obligation to pay CAM Charges is conditioned upon Subtenant submitting to the Executive Director a plan for paying past due CAM Charges as set forth in the proposed amendment to the Sublease.

FURTHER RESOLVED: That the Board of Directors hereby authorizes the Executive Director of the Authority to enter into an amendment to the Sublease in substantially the form attached hereto as Exhibit A.

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CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on April 14, 2004.

_____
William Fazande, Secretary

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THIRD AMENDMENT TO

SUBLEASE

between

THE TREASURE ISLAND DEVELOPMENT AUTHORITY

as Sublandlord

and

DELANCEY STREET FOUNDATION

as Subtenant

For the Sublease of

Buildings 183, 298 and 229 at
Naval Station Treasure Island
San Francisco, California

April __, 2004

THIRD AMENDMENT TO
TREASURE ISLAND SUBLEASE

THIS THIRD AMENDMENT TO SUBLEASE (the "Third Amendment"), dated as of April __, 2004, is entered into by and between the Treasure Island Development Authority ("Sublandlord") and Delancey Street Foundation, a 501(c)(3) non-profit corporation ("Subtenant"). From time to time, Sublandlord and Subtenant together shall be referred to herein as the "Parties".

This Amendment is made with reference to the following facts and circumstances:

A. Sublandlord and Subtenant entered into a Sublease dated October 1, 1998 (the "Original Sublease") for the use of Buildings 183, 298 and 229 on Naval Station Treasure Island as a Life Learning Academy operated by Subtenant. The Original Sublease was amended by that First Amendment to Sublease between the Parties dated October 30, 1998 (the "First Amendment") to recognize the rights of the Treasure Island Homeless Development Initiative in connection with Subtenant's rights. On September 13, 2000, the Authority authorized an amendment to the Sublease to remove Building 298 from the Premises (the "Second Amendment"). The Original Sublease, the First Amendment, and the Second Amendment are collectively referred to herein as the "Sublease." Except as otherwise expressly stated herein, all capitalized terms shall have the meaning given in the Sublease.

B. The Parties wish to amend the Sublease as stated herein below.

NOW THEREFORE, Sublandlord and Subtenant agreed to amend the Sublease as follows:

1. Section 3.1 of the Sublease is hereby amended to read as follows:

"3.1 **Term of Sublease.** The term of this Sublease (the "Term") shall commence on October 1, 1998 (the "Commencement Date") and terminate on December 31, 2005 (the "Expiration Date"), unless earlier terminated as provided in this Sublease. Subtenant hereby acknowledges that the underlying Master Lease with the Navy currently is scheduled to terminate on December 31, 2004, and that Sublandlord anticipates but cannot guarantee that the Navy will extend the term of such Master Lease to December 31, 2005. In the event that the Navy refuses to extend the term of the Master Lease, Subtenant agrees that this Sublease shall terminate on December 31, 2004."

Deleted: September 30, 2000

2. Section 3.2 of the Sublease is hereby deleted in its entirety.

3. Section 3.4 of the Sublease is hereby amended to read as follows:

"3.4 **Consideration.** Throughout the Term, the consideration for Subtenant's use of the Premises shall be comprised of the following: (i) Subtenant shall make the Required Improvements described in Section 6.1 below, (ii) Subtenant shall use the Premises for the public purposes described in Section 5.1 below, and for no other purposes, (iii) Subtenant shall pay any and all costs and expenses of operating the Premises, as described further in Section 5 below, including, without limitation, any and all Common

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Area Maintenance Charges assessed against the Premises by the Master Landlord ("CAM Charges") as set forth in Section 4.2 below, and (iv) within thirty (30) days after the end of Subtenant's fiscal year, Subtenant shall submit to Sublandlord a detailed accounting, together with all supporting data, materials, receipts, or other evidence reasonably requested by Sublandlord, of all of Subtenant's Gross Revenues (as defined below) for Subtenant's fiscal year just ended.

(a) "Gross Revenues" shall mean the gross selling price of all merchandise or services sold or delivered in or from the Café, including but not limited to any and all income, revenue, compensation or consideration generated from Subtenant's use or operation of the Café.

(b) The Authority shall be entitled at any time and from time to time during the Term and within three (3 years after the Expiration Date or other terminationof this Sublease, to inspect, examine, copy and audit all of Subtenant's books of account, records, cash receipts, tax returns and underlying tax preparation documents, financial statements and other pertinent data. The primary purpose of such examination is to enable the Authority to ascertain, clearly and accurately, Subtenant's Gross Revenues and to verify that the form and method of Subtenant's record keeping provide adequate and proper control and check of all such revenues. Subtenant shall cooperate fully with the Authority and the Authority's Agents in making the examination. The Authority shall also be entitled at the Authority's option, once during each lease year and once after the Expiration Date or other termination of this Sublease, to cause an independent audit to be performed by a certified public accountant designated by the Authority. The audit shall be conducted during usual business hours at the Premises.

(c) The Parties hereby acknowledge that as of the date of this Third Amendment, Subtenant has spent at least Eighty Five Thousand Five Hundred Dollars ($85,500.00) for the Required Improvements associated with Building 183 (the Café), and the Parties hereby agree that except as otherwise stated in this Section 3.4, there shall be no other rent for the Premises beginning on the Effective Date and continuing to the expiration of the Term."

4. Section 4.2 of the Sublease is hereby amended to read as follows:

"4.2 **Other Expenses.** This is a "triple net" Sublease. Accordingly, Subtenant shall be responsible for any and all other charges, costs and expenses related to its use, occupancy, operation or enjoyment of the Premises or any Alterations permitted thereon, including, without limitation, the cost of any utilities, maintenance or services necessary for Subtenant's use and the amount of the CAM Charges from the Effective Date of the Sublease to April 30, 2004. The amount of the CAM Charges for the Premises is currently set at the rate of $_____ per month. Subtenant shall pay the CAM Charges to Sublandlord on a montly basis. The Parties hereby acknowledge and agree that as of the date of the Third Amendment, Subtenant owes Sublandlord $19,560.00 in past due CAM Charges. Within ninety (90) days following the date of the Third Amendment, Subtenant shall submit to Sublandlord for Sublandlord's review and reasonable approval a plan for paying off such past due CAM Charges. Beginning May 1, 2004, and continuing for the remainder of the Term, Subtenant shall not be required to pay monthly CAM Charges, but nothing stated herein shall relieve Subtenant of its obligation to pay the $19,560.00 in past due CAM Charges."

4. Except as expressly modified herein, all other terms, conditions, and covenants of the Sublease shall remain in full force and effect.

Deleted: after recovering its costs of making the Required Improvements to the Café from Gross Revenues, Subtenant shall pay Sublandlord on a monthly basis 2% of such Gross Revenues as percentage rent

Deleted: For purposes of this Sublease

Deleted: If the audit shows that there is a deficiency in the payment of any percentage rent, then Subtenant shall immediately upon notice pay the deficiency to the Authority, together with interest thereon at the Default Rate, which interest shall accrue from the date on which such deficient amount would have been due until such deficiency is paid. The Authority shall pay the costs of the audit unless the audit shows that Subtenant understated Gross Revenues by more than two percent (2%), in which case Subtenant shall pay all of the Authority's costs of the audit

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Sublandlord and Subtenant have executed this Third Amendment in triplicate as of the date first written above.

SUBTENANT:

Delancey Street Foundation,
a 501(c)(3) non-profit corporation

By: _____, Deleted: _____
Its: _____ Date

SUBLANDLORD:

The Treasure Island Development Authority

By: _____, Deleted: _____
Its: Executive Director_____ Date

Approved as to Form:

DENNIS J. HERRERA
City Attorney

By: _____, Deleted: _____
Deputy City Attorney_____ Date, Deleted: ¶

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SFUSD

VICTORIA LI
Deputy General Counsel
Legal Office
(415) 241-6163 • Fax (415) 241-6371
E-mail: vli@poet.sfusd.edu

SAN FRANCISCO UNIFIED SCHOOL DISTRICT, 555 Franklin Street, 3rd Floor, San Francisco, CA 94102

April 2, 2004

ENTERED
APR 2004
TREASURE ISLAND DEVELOPMENT AUTHORITY

Ann Marie Conroy
Executive Director
Treasure Island Development Authority
410 Avenue of the Palms
Treasure Island
San Francisco, CA 94130

Dear Ms. Conroy:

It has come to my attention that the Life Learning Academy located on Treasure Island has been paying Common Area Maintenance fees associated with their campus as part of their lease with the Treasure Island Development Authority. The Treasure Island Elementary School does not pay Common Area Maintenance fees. This office supports Life Learning Academy's request that your agency consider waiving these fees for the Life Learning Academy as it is a public school chartered by the San Francisco Unified School District. Please contact me at (415) 255-7323 if you have any questions.

I appreciate your cooperation in this matter.

Sincerely,

Victoria Li
Deputy General Counsel

Notes

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution Approving Second Amendment To Interim Sublease with Treasure Island Enterprises to Modify Provisions Related to Improvement Allowance and Accounting of Outstanding Balance

Agenda Item No. 19
Meeting of April 14, 2004

Contact/Phone: Annemarie Conroy, Executive Director
Jack Sylvan, Director of Development
274-0660

SUMMARY OF PROPOSED ACTION

Staff is requesting approval of an amendment to the Interim Sublease with Treasure Island Enterprises to modify provisions regarding (i) the improvement allowance; and (ii) accounting of the outstanding balance of rent and charges.

BACKGROUND

On January 21, 1998, the Authority issued a Request for Proposals ("RFP") related to the development and expansion of the Treasure Island Marina. Based on that RFP process, on February 10, 1999, the Authority authorized staff to prepare an exclusive negotiating agreement (ENA) with Treasure Island Enterprises (TIE), which was executed on June 9, 1999. Pursuant to the terms of the ENA, TIE and Authority staff were directed to complete several milestones associated with the development and expansion of the Marina as contemplated by the RFP. One such milestone was the negotiation and approval of an Interim Operating Agreement for the existing marina.

On September 2, 1998, the Authority and TIE entered into a sublease for the marina under which TIE would assume responsibility for all management functions of the marina, including, without limitation, the performance of all property management, marketing, leasing, protection, maintenance and repairs. On November 14, 2001, the Authority approved a First Amendment to the Interim Sublease (First Amendment) amending the term, the improvement allowance, and issues related to books and records.

At the time the lease was executed, it was the expectation of Authority staff that under the terms of the ENA transaction documents would be prepared and executed and the construction/expansion of the new marina would be underway within two years. However, due to delays in the property conveyance process with the U.S. Navy, the transaction documents contemplated under the ENA are not complete and as a result, construction has been delayed.

To provide for the continued operation of the existing marina by TIE, staff is proposing the sublease be amended in the following manner (a copy of the sublease amendment is attached to the resolution as Exhibit A):

- *Improvement Allowance*: The Authority originally granted TIE an Improvement Allowance of $190,000. This Improvement Allowance allowed TIE to repair the marina to address code and safety deficiencies and to address deferred maintenance of the facility. On November 14, 2001, the Authority approved the First Amendment to the sublease, which increased the Improvement Allowance to $368,200. This increase allowed TIE to make additional repairs to the facility to address deficiencies in the plumbing and electrical systems, ADA upgrades, and refurbishment of the B-Dock extension (currently 10 slips are unusable). The Agreement allowed TIE to amortize the cost of the repairs over the extended 48-month term of the Agreement in the form of a rent credit against Base Rent. The 48-month period ended on August 31, 2003.

  As is typical with Tenant Improvement Allowances, after the work is done, the parties do an accounting or reconciliation to determine whether the full amount of the rent credit was accounted for. In cases where it was not, the landlord can either take the difference in cash or additional work. In this case, the term of the tenant improvement credit amortization period began on September 1, 1999 and ended on August 31, 2003. The "true up" of approved expenses for the Marina was conducted over the past several months. Authority staff have approved Improvement Allowance expenses of $281,944 during the 48-month improvement credit amortization period of September 1, 1999 to August 31, 2003, leaving an unspent balance of $86,256. As this accounting has been done over the past month, no late fees or charges have been allocated to the unspent balance of Improvement Allowance.

  Many of the improvements intended under the original work plans were delayed by factors beyond the control of TIE (i.e., permitting and approvals) and, therefore, TIE was unable to expend the entire Improvement Allowance of $368,200 by August 31, 2003. Subsequently, TIE continued to make needed improvements to the marina consistent with the activities of the work plan approved in November 2001. As a result, TIE made an additional $48,049 in necessary improvements between the period of September 1, 2003 and March 31, 2004.

  As stated earlier, the delay in making the improvements was largely beyond the control of TIE and staff believes that the improvements that were made after the 48-month amortization period, as well as the improvements that have not yet been made, have and would substantially benefit the quality, safety and accessibility of the marina facilities. Therefore, staff recommends extending the time period by which the Improvement Allowance must be expended through December 31, 2004. Pending the Authority's approval of this proposed extension of time, as of March 31, 2004, the staff has approved of $329,993 ($281,944 plus $48,049) in authorized Improvement Allowance expenses. The

resulting balance of unspent Improvement Allowance and the cost of improvements that must be completed by December 31, 2004 would equal $38,207. TIE intends to allocate these Improvement Allowance monies to make necessary repairs to the Treasure Island Marina's ramps, docks, slips and access ways. These repairs will include structural repairs to 10 slips at Dock B, 9 slips at Dock C and 19 slips at Dock D, including securing broken walkways to the main docks, securing docks to the ramp landings, improving the roller systems at the connection between the ramps and the docks and improving utility lines. Any Improvement Allowance monies unspent by the December 31, 2004 deadline will become due and payable to the Authority as Base Rent, per the terms of the original Interim Sublease.

- *Accounting of Outstanding Balance*: The original Interim Sublease with TIE commenced on September 1, 1999. The First Amendment extended the term of the tenant improvement credit amortization period to a total of 48 months, ending on August 31, 2003. TIE was to begin paying monthly Base Rent in the amount of $7,500 plus monthly CAM charges of $275 on September 1, 2003. Currently, TIE has an outstanding balance of $42,092 associated with unpaid rent, late fees and default interest during the period from September 1, 2003 to the present. As a condition to the proposed amendment, TIE will pay the full amount of the $42,092 prior to executing the Second Amendment to the Sublease.

RECOMMENDATION

Staff recommends approval of the proposed amendment to the sublease.

EXHIBITS

A Second Amendment to Interim Sublease between TIDA and Treasure Island Enterprises

[Second Amendment to Marina Interim Sublease]

APPROVING THE SECOND AMENDMENT TO THE INTERIM SUBLEASE WITH TREASURE ISLAND ENTERPRISES TO (i) EXTEND THE TIME FOR EXPENDING THE IMPROVEMENT ALLOWANCE, AND (ii) ACCOUNTING FOR THE OUTSTANDING BALANCE OF RENT, LATE FEES, AND INTEREST OWED FROM SEPTEMBER 1, 2003 TO THE PRESENT.

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over former Naval Station Treasure Island (the "Base"), and (ii), with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Tidelands Trust prohibits the sale of Tidelands Trust property into private ownership, generally requires that Tidelands Trust property be accessible to the public and encourages public oriented uses of trust property that, among other things, attract people to the waterfront, promote public recreation, protect habitat and preserve open space; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and

WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors has the power, subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant an interest in or right to use or occupy all or any portion of the real property located on the Base; and,

WHEREAS, on September 2, 1998, the Authority and TIE entered into a two-year sublease for the interim operation by TIE of the existing marina, including, without limitation, the performance of all property management, marketing, leasing, protection, maintenance and repair responsibilities of the Authority required under its Master Lease with the United States Government, acting by and through the United States Navy (the "Navy"); and

WHEREAS, On November 14, 2001, the Authority approved a First Amendment to the Interim Sublease to increase the Improvement Allowance to $368,200 to be treated as a credit against Base Rent, extend the term of the amortization period for expending the Improvement Allowance to 48 months ending on August 31, 2003, and making changes related to books and records; and

WHEREAS, due to events beyond the control of TIE there has been a delay in making the improvements authorized in November 2001 and TIE was unable to expend the entirety of the Improvement Allowance within the 48-month period; and

WHEREAS, Authority staff believes that allowing the expenditure of the unspent Improvement Allowance monies on improvements consistent with an approved work plan would substantially benefit the quality, safety and accessibility of the marina facilities; and

WHEREAS, the term of the amortization of Improvement Allowance is agreed by the Authority and TIE to have terminated on August 31, 2003 and the Authority is owed base rent, late fees and default interest in the amount of $42,092 for the period beginning on September 1, 2003 to the present; and

WHEREAS, TIE and the Authority staff have agreed upon the scope of additional repair and maintenance work and temporary improvements and facilities to the existing Marina and wish to amend the Interim Sublease to extend the term during which the Improvement Allowance monies may be spent to December 31, 2004 and to clarify the outstanding balance

owed to the Authority per the terms of the Interim Sublease and First Amendment; now therefore, be it

RESOLVED, That the Board of Directors hereby approves the Second Amendment to the Interim Sublease between the Authority and TIE and authorizes the Executive Director to execute the Second Amendment to the Interim Sublease in substantially the form attached hereto as Exhibit A.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on April 14, 2004.

_____

William Fazande

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SECOND AMENDMENT TO

INTERIM SUBLEASE

between

THE TREASURE ISLAND DEVELOPMENT AUTHORITY

as Sublandlord

and

TREASURE ISLAND ENTERPRISES
as Subtenant

For the Interim Sublease of

The Treasure Island Marina at former Naval Station Treasure Island
San Francisco, California

April __, 2004

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SECOND AMENDMENT TO TREASURE ISLAND SUBLEASE

THIS SECOND AMENDMENT TO SUBLEASE (the "Second Amendment"), dated as of April __, 2004, is by and between the Treasure Island Development Authority ("Sublandlord") and Treasure Island Enterprises, LLC, a limited liability corporation ("Subtenant"). From time to time, Sublandlord and Subtenant together shall be referred to herein as the "Parties".

This Second Amendment is made with reference to the following facts and circumstances:

A. Sublandlord and Subtenant are parties to the Interim Sublease of the Treasure Island Marina at former Naval Station Treasure Island in San Francisco, California, dated September 1, 1999, as amended by the First Amendment to Treasure Island Sublease dated November __, 2001 (collectively referred to as, the "Sublease"). All capitalized terms used in this Second Amendment that are not otherwise defined herein shall have the meaning given to it in the Sublease.

B. Sublandlord and Subtenant desire to amend certain terms on the Sublease on the terms and conditions contained in this Second Amendment. Nothing herein is intended to modify or set a precedent for the terms and conditions of the long-term lease contemplated by the ENA.

NOW THEREFORE, Sublandlord and Subtenant hereby agree to amend the Sublease as follows:

1. Paragraph 4.2 of the Sublease is hereby amended to read as follows:

"4.2 Improvement Allowance. Subtenant shall be entitled to offset against its obligation to pay Base Rent an amount equal to Subtenant's actual costs of designing, engineering, permitting and constructing the Approved Work (as defined in Section 7.1 below), provided however in no event shall the amount of such offset exceed $368,200 (the "Improvement Allowance"). The verified amount of the Improvement Allowance shall be amortized over 48 months from the Commencement Date (the "Amortization Period") so that the amount of the offset against Base Rent for any given month shall not exceed $8,000. Sublandlord and Subtenant hereby acknowledge that as of the date of this Second Amendment, Subtenant did not offset the entire Improvement Allowance by the end of the Amortization Period and there is a balance of Rent owing during such Amortization Period. The Parties hereby agree that during the remainder of the Term, Subtenant may offset the balance of Rent owing during the Amortization Period by performing such additional Approved Work in an amount equal to $86,256.67, in

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Inserted: _____ in Subtenant's actual costs of designing, engineering, permitting and constructing the Approved Work (as defined in Section 7.1 below.

Subtenant's actual costs of designing, engineering, permitting and constructing the Approved Work (as defined in Section 7.1 below. Regardless of whether or not the Term of this Sublease is of sufficient length for Subtenant to fully off-set the Improvement Allowance against Base Rent, in no event shall Sublandlord be obligated to reimburse Subtenant for such Improvement Allowance (other than as an off-set against Base Rent) or extend the Term of this Sublease, and Subtenant shall solely bear the risk thereof."

3. In consideration of the terms and conditions of this Second Amendment, Subtenant agrees to pay, within five (5) days of this Second Amendment, Minimum Rent as set forth in Paragraph 4.1 of the Sublease for the period beginning on September 1, 2003 and ending on April 30, 2004, together with all Late Charges and Default Interest as set forth in Pargraphs 4.4 and 4.5, respectively, of the Sublease. The parties hereby agree that the amount of such Minimum Rent during such period of time, together with Late Charges and Default Interest is $42,091.85. The parties further acknowledge and agree that the Effective Date of the Sublease, as amended, is September 1, 1999.

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Inserted: _____. The parties further acknowledge and agree that the Effective Date of the Sublease, as amended, is September 1, 1999.

4. Except as expressly amended herein, the terms and conditions of the Sublease shall remain in full force and effect.

Sublandlord and Subtenant have executed this Second Amendment in duplicate as of the date first written above.

SUBTENANT:
TREASURE ISLAND ENTERPRISES,
a California Limited Liability Company

By OAC3, a California limited liability company

By: _____
Its: _____

SUBLANDLORD:
THE TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Its: Executive Director

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Approved as to Form:

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Deputy City Attorney

Approved:

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Base Conversion Manager
U.S. Navy
Engineering Field Activities West

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TREASURE ISLAND MARINA
IMPROVEMENT AND REPAIR PROGRAM

APRIL 2004

The following proposal is provided to address deferred repairs and maintenance work and the installation of needed improvements at the above Treasure Island Marina.

Location	Description
B45-47	Repair broken finger and secure to walkway
B43-45	Repair broken finger and secure to walkway
B60-64	Repair pile guide/roller assembly
B60-64	Secure utility lines
B60-64	Replace stringer
B60-64	Secure Pile Hoop
B60-64	Replace foam billets
C20-22	Replace stringer and pile hoop
C04-06	Replace stringer and pile hoop
C17-19	Repair broken finger and secure to walkway
Ramp	Replace broken pile hoop
D01-03	Replace stringers and portions of decking
D05-07	Replace stringers and portions of decking
D05-07	Add foam to finger/walkway intersection
D12-14	Repair broken finger and secure to walkway
D16-18	Repair broken finger and secure to walkway
D30-32	Repair broken finger and secure to walkway
D90	Replace missing foam billets
D23 Ramp	Repair dock at ramp landing
D1 Ramp	Repair ramp, wheel, frame and runner
D End Tie	Installation of piles, float and pump out system

Estimated Cost- Not to Exceed:	$38,000
Management of Construction:	$ 3,875
Subtotal:	$41,875
Contingency (5%)	$ 2,094
TOTAL	**$43,969**

Prepared By: Treasure Island Enterprises, LLC

Notes

Notes

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CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

DRAFT Minutes of Meeting
Treasure Island Development Authority
April 14, 2004

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City Hall, Room 400
1 Carlton B. Goodlett Place
San Francisco, CA

1. **Call to Order**: 1:35 PM

Roll Call Present: Claudine Cheng (Chair)
William Fazande (Vice-Chair)
John Elberling
Monique Moyer
Susan Po-Rufino
Marcia Rosen

Excused: Douglas Wong

2. **Approval of Minutes:** Commissioners Rosen and Moyer recused themselves from this item
The minutes of March 10, 2004 were motioned for approval by Commissioner Fazande.
The motion was seconded by Commissioner Po-Rufino
The minutes were approved unanimously

3. **Director's Report by Executive Director Annemarie Conroy**
Access and Public Use of Treasure Island: Many soccer and baseball teams using the sports fields recently as well as 100 private parties occurring over the next year.
Environmental Cleanup: Negotiations continue with the US Navy and CH2M Hill over environmental clean-up and early transfer
Short Term Leases: No new short-term leases
San Francisco/Oakland Bay Bridge Issues: No new items to report
Community Issues: Next community meeting is April 21st. Letter is being sent to residents to encourage regular attendance at Community Meetings and address some areas of concern to the residents
TIHDI: Sherry Williams can report on any new TIHDI developments
Finance Report: TIDA is on track with revenues and expenses

Legislation and Hearings Affecting Treasure Island: Legislation regarding Tidelands Trust Exchange will begin committee hearings soon in State Legislature

4. Communications
There were communications received by several Treasure Island residents and a letter from TIDA Executive Director to the Treasure Island Sailing Center

5. Report by Treasure Island/Yerba Buena Island Citizens Advisory Board
Ms. Karen Knowles-Pearce, chair of the TI/YBI CAB, reported that at the April CAB meeting, the CAB discussed the master development schedule and approved a by-laws change which changes the CAB meeting time from the third Thursday of each month to the first Tuesday of each month.
Also stated that there is an item concerning amending the CAB bylaws in regards to date of the regular CAB meeting before the TIDA Board today

6. Ongoing Business by Directors
Commissioner Cheng stated that it was time for the yearly election of TIDA board officers. Commissioner Cheng appointed Commissioner Elberling and Commissioner Po-Rufino to a Nominating Committee and requested that the City Attorney draft a resolution for the May, 2004 meeting approving this committee, with the elections to be held at the June, 2004 TIDA meeting

Commissioner Elberling requested a summary of crime statistics from the San Francisco Police Department for Treasure Island for approximately the past 3 months.

7. General Public Comment
Sherry Williams, Executive Director of Treasure Island Homeless Development Initiative, presented TIHDI's plans for utilization of sharing-agreement funds, as requested at the March, 2004 meeting by Commissioner Elberling.

Yvette Phillips-Aldama, of the Treasure Island Homeless Development Initiative, spoke regarding the re-painting of Treasure Island School on Saturday, April 24th. Also presented the newsletter that TIHDI produces for residents and spoke regarding her efforts working with TIHDI families with children at Treasure Island School.

8. Commissioner Cheng stated that this item has been discussed at the previous Commission meeting and the Board is happy to welcome Supervisor Daly, the Supervisor who currently represents Treasure Island, as an ex-officio member.

Public Comment
Ms. Ruth Gravanis stated that she was happy with this item and that it was a positive step in terms of keeping the Board of Supervisors involved in the development process

Commissioner Cheng motioned for approval of this item
Commissioner Fazande seconded the motion

The resolution was approved unanimously

9. Ms. Karen Knowles-Pearce, Chair of TI/YBI CAB, presented a resolution approving an amendment to the CAB by-laws to change the regular meeting date by generalizing an article in the bylaws to allow the CAB to meet "monthly". This will allow the CAB to meet regularly prior to the monthly TIDA board meeting. CAB has chosen to regularly meet on the first Tuesday of each month. This will allow them more time to prepare comments on relevant items on upcoming TIDA agendas.

Commissioner Cheng stated that this item makes sense in that the CAB now has more direct input to the TIDA Board. Thanked Ms. Knowles-Pearce for her leadership and thanked the CAB for their hard work.

Commissioner Rosen asked if it is in the CAB bylaws that the TIDA Board has to approve CAB bylaw changes.
Executive Director Conroy stated that it is.

There was no public comment on this item

Commissioner Rosen motioned for adoption of the resolution
Commissioner Cheng seconded the motion
The item was approved unanimously

10. Mr. Jack Sylvan, TIDA Development Director, presented a geotechnical peer review prepared by TIDA staff of findings originally prepared by Treadwell & Rollo. This review is one of the three studies crucial to setting the template for moving forward in exclusive negotiations with Treasure Island Community Development (TICD). TIDA worked with URS Corp. to review the recommendations of these reports to examine their appropriateness in the redevelopment proposal negotiations that are moving forward. URS generally concurred with the findings of Treadwell & Rollo, who performed the initial study. This finding suggests that development negotiations can move forward on the basis of those reports. URS recommended additional evaluations and updates be conducted, and staff intends to include these scopes of work in future presentations.

Mr. Doug Cauble, of URS Corp., spoke regarding URS's peer review of 4 geotechnical reports performed by Treadwell & Rollo. First report was performed in 1995 and descriptions of Treasure and Yerba Buena Island, effects of the 1989 Loma Prieta earthquake, geologic and geotechnical hazards on each Island and recommended soil improvement techniques for remediating these hazards. In 2000, a slope stability evaluation was conducted on northwest corner and southeast corner of Treasure Island and concluded that a 1,500 foot long dike-section could move as much as 12 inches under the design earthquake, and provided recommendations on mitigating movement and liquefaction. In May 2002 a letter report was conducted on the proposed wetlands and concentrated on slope stability of proposed wetlands. Found that the perimeter of the proposed wetlands was far enough inland that it would not be affected by any slope failure. Final report was conducted in June 2002 and focused on conceptual foundation systems for existing and new buildings. Recommendations were made for both buildings over 4

stories and buildings under 4 stories. Stated URS concurs with findings but has 8 additional recommendations; additional site investigation of the young bay mud soil layer, additional seismic slope stability analysis, reevaluation of proposed soil-cement columns, consideration of deep soil-cement columns to mitigate potential lateral spread, conducting a probable maximum loss study to assess risk of damage to buildings due to earthquakes, a cost comparison to evaluate optimum foundation schemes, update the 1995 evaluation of geo-hazards, and a qualitative evaluation of potential instability at other locations on the Island.

Commissioner Elberling asked if URS has looked at worst-case scenarios in their analysis when recommending mitigation methods.
Mr. Cauble stated that they looked at the "design scenario" which is dictated by building codes and experts in their profession. They do not look at the absolute worst-case scenario. The design scenario earthquake is a 7.9 magnitude in moment magnitude, which is similar but not exactly like Richter Scale.

Commissioner Elberling asked it the causeway connecting Treasure and Yerba Buena Islands had been studied. Asked what the potential was for physical disruption of the causeway. Stated that serious contingency planning is necessary for any sort of disruption of the causeway, and it would be good for these potential effects to be stated in "straightforward language".
Mr. Cauble stated the causeway had been studied and there were liquefactions issues present which must be mitigated. Stated that structures and locations should also be re-evaluated on a site-specific basis for the design earthquake. Stated that liquefaction movement was predicted for up to 5 feet in the causeway area. Settlement is estimated at up to 2 feet, but it also depends on the water table in the area as well as the structure.

Commissioner Rosen asked if she was correct in that this study is a "threshold" determination of planning engineering and development sites, and that the recommendations of this peer review still call for more studies at the feasibility stage. Stated that it was her understanding that staff and TICD did agree to undertake additional recommendations put forth by the peer review and that a report would be given on these additional studies prior to being presented with more land-use designs by TICD.
Mr. Cauble stated that the recommendations in their report are recommended to be incorporated prior to finalization of the final design.
Mr. Sylvan stated that there will be more data accumulated for the generic land-use planning before even getting to building design decisions. This was a study to advise whether redevelopment on the Island should go forward with the type of development plan envisioned in the 1996 Reuse Plan and the proposed development by TICD.

Commissioner Cheng asked when a summary in basic terms regarding earthquake preparedness for the Island can be expected.
Mr. Sylvan stated that it is appropriate to begin that planning in the coming months.
Commissioner Elberling stated that the seismic safety and transportation issues should be spelled out clearly in general detail in the Environmental Impact Review before certification of the EIR.

There was no public comment on this item

11-12. Mr. Jack Sylvan, TIDA Development Director, presented an extension of the contracts with Toolworks Inc., for janitorial services on Treasure Island, and Rubicon Enterprises, for landscaping services on Treasure Island. Both businesses are part of TIHDI. Both amendments are to extend the term of the contract through the current fiscal year and to be consistent with City contracting requirements through Proposition Q which is limitation on political contributions and a standard prohibition on arsenic-treated wood. Staff recommends approval of both items.

There was no public comment on Item # 11
Commissioner Cheng motioned for approval of Item # 11
Commissioner Po-Rufino seconded the motion
The item was approved unanimously

There was no public comment on Item # 12
Commissioner Fazande motioned for approval of Item #12
Commissioner Elberling seconded the motion
The item was approved unanimously

13. Mr. Jack Sylvan, TIDA Development Director, presented an amendment to the contract with URS Corp. for managing the environmental review process surrounding the programmatic Environmental Impact Review for transfer of the property. The amendment doesn't alter the term but simply adds the necessary Proposition Q language concerning political contributions and to prohibit the use of arsenic-treated wood.

Commissioner Rosen suggested formatting the agenda to have a consent calendar.
Executive Director Conroy stated that staff has looked into this matter and will do so, but didn't want to put it on the April meeting agenda without discussing it ahead of time with the Commissioners.

There was no public comment on this item

Commissioner Fazande motioned for approval of the item
Commissioner Rosen seconded the motion
The item was approved unanimously

14. Jack Sylvan, TIDA Development Director, presented an extension of the term of the Master Lease with the US Navy for the gymnasium, ShipShape, Life Learning Academy and related areas. ShipShape is currently run by TIHDI and hosts recreational and community programs and the gymnasium, when opened, will provide recreational and community programs. Staff recommends approval of this item.

There was no public comment on this item.

Commissioner Rosen motioned for approval of this item
Commissioner Cheng seconded the motion
The item was approved unanimously

15. Jack Sylvan, TIDA Development Director, presented an extension of the Master License with the US Navy for use of the cable television system. Comcast, the current cable provider, is making improvements on the Island for enhanced cable television service and high-speed internet access. Staff recommends approval of this item.

There was no public comment on this item

Commissioner Rosen motioned for approval of this item
Commissioner Po-Rufino seconded the motion
The item was approved unanimously

16. Jack Sylvan, TIDA Development Director, presented an extension of the lease for the photo booth at the front gate with Mr. Rex Liu. Stated that the last time this item was before the TIDA board, there were questions as to what his gross sales were. Mr. Liu sent a letter to TIDA staff stating that the sales he had reported to the State Board of Equalization were roughly $7,500 a quarter.

There was no public comment on this item

Commissioner Elberling motioned for approval
Commissioner Cheng seconded the motion
The item was approved unanimously

17. Jack Sylvan, TIDA Deputy Director, presented an extension of the term of the sublease with San Francisco Little League for the use of the Little League ball fields. Little League is responsible for renovating the fields and providing access to TIHDI residents, John Stewart Co. residents, the Life Learning Academy and other Island groups when not being used by Little League. Stated that Little League provides a substantial public benefit and that staff recommends extending the sublease.

Director Conroy stated that SFLL has been a fantastic program and they now have 3 fields on Treasure Island serving 800 kids from all zip codes of San Francisco

There was no public comment on this item

Commissioner Elberling motioned for approval of this item
Commissioner Cheng seconded the motion
The item was approved unanimously

18. Jack Sylvan, TIDA Deputy Director, presented an amendment to the sublease with Delancey Street Foundation's Life Learning Academy. Under original sublease, rent and consideration of use of building required improvements to buildings, required to pay expenses associated with common area maintenance, as well as pay Authority 2% of gross monthly revenues associated with the Café after recovering improvement costs. This amendment addresses all 3 elements of this. One is recognition of $85,500 worth of improvements to Café, stated that one year of gross

revenues is missing from staff summary. Another is the Common Area Maintenance charge, which has been in effect the rent for the Life Learning Academy. LLA has been unable to pay these CAM charges to date due to loss of grant-funding for these charges. San Francisco Unified School District has sent a letter requesting that the LLA be treated the same as the Treasure Island School in that it not be charged CAM charges. Staff recommends that the CAM charge be waived so that the LLA is treated consistently with the other school and retain the outstanding balance of what is owed to the Authority and LLA is happy to continue to pay down this balance. Stated this item can be revisited later if the LLA is unable to pay these charges through facilities grants. Staff recommends that no late fees be charged on this amount.

Executive Director Conroy stated that the tenant improvements listed are only for the Café, though they have done over $1 million in improvements to the LLA building that they have not been credited for. Stated that staff is looking at eliminating the percentage rent for LLA, freeze past CAM charges on the LLA and work with LLA to pay down the remaining balance owed, and accepting the required improvements. Asking that Delancey will continue to apply for facilities grants but not make them accrue more CAM going forward in order to make them consistent with the other SFUSD school on the Island.

Commissioner Elberling asked if there will be a CAM charge for the Café and has the LLA been paying the CAM on the restaurant
Mr. Sylvan stated that the CAM on the restaurant is approximately $100 a month and it has been accruing together along with the CAM on the LLA building.
Commissioner Elberling stated that he recommends writing off the past CAM charges due, since it is difficult to find grant funding to pay for past due bills.

Commissioner Rosen asked if there was an obligation to pay CAM charges to the Navy
Executive Director Conroy stated that at one time the CAM charges went to the Navy, now it is an "Island CAM" that goes to TIDA

Commissioner Moyer stated that she was struggling with what the policy decision is for this item. One side is a cost-benefit analysis decision and the other side is a policy decision that the Authority has already made regarding the LLA being treated as a SFUSD school. Asked what the policy is that the Board is being asked to decide today, is the cost-benefit analysis triggered to the negative, if so that would be a waiver, not an exemption. Looking for explanation of what the policy decision will be that will be the Board's "measuring stick" from this point out. Looking for a policy that can be applied fairly from tenant to tenant.

Mr. Sylvan stated that the percentage rent issue is a cost-benefit analysis and the CAM is a policy call that staff would like to treat the LLA and the Café, as an educational extension of the LLA, both together as educational facilities of the school district.

Commissioner Moyer stated she believes that the resolution itself better characterizes the policy as it says it is an accrued benefit to an educational facility.

Public Comment:

Mr. Mike DeLane, Delancey Street Life Learning Academy, stated he feels a connection to the LLA in that he is a Delancey Street graduate, a SF Firefighter stationed on Treasure Island, and he is the vice-chair on the TI/YBI CAB. Reiterated that the Café has become an entity of the school in that they are operating on a loss as a result of the Café but the benefit that the Café brings to the children and Treasure Island is wonderful.

Commissioner Elberling motioned for an amendment to the resolution to waive the past-due CAM amount
Executive Director Conroy suggested the resolution also indicate that the LLA will look at best efforts to extend their hours of operation for the Café
Commissioner Fazande seconded the motion for an amendment to the resolution
The proposed amendment to the resolution was approved unanimously

Commissioner Cheng motioned for approval of the item
Commissioner Fazande seconded the motion
The item was approved unanimously

19. Mr. Jack Sylvan, TIDA Development Director, presented an amendment to the sublease with Treasure Island Enterprises (TIE). Based on an RFP process, TIE entered into Exclusive Negotiations with TIE, one part of which was an interim operating agreement for the current Marina at Treasure Island. This sublease was entered into in September, 1998. Staff proposes the sublease be amended regarding the improvement allowance and regarding an accounting of an outstanding balance on the part of TIE. Authority originally granted TIE a rent credit of $190,000 for the initial 2 year term to make improvements to the Marina, which required major improvements. In November, 2001 the Authority approved an amendment which increased the rent credit to $368,200 and this agreement allowed TIE to amortize the repairs over 48 months. TIE has spent $282,000 in the 48 month period ending August, 2003, which leaves an unspent balance of about $86,000. Many improvements intended under the original work plans were delayed by factors beyond the control of TIE, they have continued to make improvements since August, 2003. The total of what they have spent is $330,000. (*Showed ledger of improvements made by TIE and the costs of these improvements*) Stated that staff believes that improvements made subsequent to August, 2003 as well as the remaining $38,000 are important improvements that benefit the quality, safety and accessibility of the Marina. Asking Authority to extend the 48-month term for improvements to the end of December, 2004 in order to allow TIE to make the remaining improvements as well as spend the remaining money. TIE has submitted a work plan for the additional $38,000 which includes improving utility lines and repair of the dock. If the $38,000 in improvements is not approved, TIDA has the option to collect that unspent money as rent. Second piece of amendment is that TIE agrees that the 48 month term ended August, 2003 and therefore rent should be paid beginning September, 2003. Staff has calculated the months rent not paid by TIE, late fees and default interest and it comes out to $42,000 and staff recommends they pay this amount to square up the account and TIE is in agreement.

Commissioner Elberling asked what TIE's revenues have been during their period of operation, also asked what the base rent was based on. Stated he would like to see income for each year versus the threshold for percentage rent.

Mr. Sylvan stated that the base rent is $7,500 or a percentage-based rent once TIE crosses a threshold.
Deputy City Attorney Michael Cohen stated the trigger is 10% of gross versus $7,500 base rent per month. In accounting revenues TIE has never surpassed this threshold.

Commissioner Moyer asked for clarification on the math for rent payment versus tenant improvements for the remaining money.
Deputy City Attorney Michael Cohen stated that it is advantageous to set the obligation for paying rent again from September 1. This resolution acknowledges that TIE should have been paying rent beginning Sept. 1. So this rent amount is calculated with all late charges and there is no offset against current rent. There is a work plan because staff recommends taking the remaining balance of the improvement credit in in-kind improvements instead of taking it in cash.

Commissioner Elberling asked for a breakdown of the Marina's revenues
Mr. Randy Short, Almar Management, stated that the revenues for the Treasure Island Marina were $259,000 in 2001, $280,000-plus in 2002 and $296,000-plus in 2003. Stated they break even with capital expenses.

There was no public comment on this item

Commissioner Rosen motioned for approval of the item
Commissioner Cheng seconded the motion
The item was approved unanimously

20. Mr. Jack Sylvan, TIDA Director of Development, discussed the Exclusive Negotiating Agreement with Treasure Island Enterprises for the development of the Treasure Island Marina. Several milestones have been accomplished including initial agreement and subsequent extensions of operating agreement for current Marina. There has also been preparation of a preliminary development agreement and a draft term sheet, which has been approved by the Authority. Land-side development of the Marina is to occur simultaneously with master development of the Island. TIE has requested, and the Authority has granted, 3 extensions to the ENA. Land-side portions of proposed Marina development and proposed master development overlap. Stated it may be more practical for the master developer to have priority over land-side development of Marina area. Staff proposes that TIE consider ceding it's land-side rights to TICD with the condition that if TICD fails to secure development rights then TIE's rights to the land-side will remain. Staff is working with TIE to resolve this issue and will bring a schedule to the Authority next month with a path forward.

Commissioner Rosen requested an update of the master development schedule on a quarterly or half-yearly basis

There was no public comment on this item

21. Commissioner Cheng requested an item be placed on the agenda for next month establishing a nominating committee for the election of officers to the TIDA Board. Asked Commissioner Po-Rufino and Commissioner Elberling to serve on the committee.

22. Commissioner Cheng motioned for adjournment
The meeting was adjourned at 4:00 PM

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

TREASURE ISLAND DEVELOPMENT AUTHORITY
MEETING AGENDA
May 12, 2004 1:30 P.M.

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William Fazande, Vice-Chair
John Elberling
Monique Moyer
Susan Po-Rufino
Marcia Rosen
Douglas Wong

Annemarie Conroy, Executive Director
Peter Summerville, Commission Secretary

ORDER OF BUSINESS

1. Call to Order and Roll Call
2. Report by Executive Director Annemarie Conroy (*Discussion Item*)
   - Report on access to Treasure Island including public use last month
   - Status of environmental clean up
   - Report on short-term leases
   - Report on San Francisco-Oakland Bay Bridge/Caltrans issues
   - Report on Treasure Island community issues
   - Report on Citizens Advisory Board
   - Report on TIHDI
   - Financial Report
   - Legislation/hearings affecting Treasure Island
3. Communications (*Discussion Item*)
4. Report by the Treasure Island/Yerba Buena Island Citizen's Advisory Board (*Discussion Item*)

5. Ongoing Business by Directors (*Discussion Item*)
6. General Public Comment (*Discussion Item*) ******In addition to General Public Comment (Item #6), Public Comment will be held during each item on the agenda.******

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7. **CONSENT AGENDA**

All matters listed hereunder constitute a Consent Agenda, are considered to be routine by the Treasure Island Development Authority Board and will be acted upon by a single vote of the Authority Board. There will be no separate discussion of these items unless a member of the Authority Board so requests, in which event the matter shall be removed from the Consent Agenda and considered as a separate item.

a.) Approval of Minutes of April 14, 2004 (*Action Item*)

b.) Resolution Authorizing the Executive Director to Execute a First Amendment Extending the Term of the Sublease with Island Creative Management for Use of Building 2 through December 31, 2004 (*Action Item*)

c.) Resolution Authorizing the Executive Director to Extend the Term of the Use Permit with Laura Bertone for Use of a Portion of Pier One Through December 31, 2004 (*Action Item*)

d.) Resolution Authorizing the Executive Director to Execute a First Amendment Extending the Term of the Sublease with San Francisco Cup Class, LLC for a Portion of Pier One (*Action Item*)

e.) Resolution Authorizing the Executive Director to Execute a First Amendment Extending the Term of the Sublease with the Treasure Island Homeless Development Initiative for Use of Building 497 through December 31, 2005 (*Action Item*)

f.) Resolution Authorizing the Executive Director to Off-Set the Value of Storage Space in Building 62 Used by the City's Department of Public Works Against Services Provided on Treasure Island by DPW *(Action Item)*

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8. Resolution Establishing an Ad Hoc Nominating Committee, Consisting of Two Members of the Treasure Island Development Authority Board of Directors Appointed By the President, to Nominate Members of the Board of Directors to Serve as Officers of the Treasure Island Development Authority In Accordance with the Treasure Island Development Authority Bylaws. (*Action Item*)

9. Presentation of Redevelopment Master Schedule (*Discussion Item*)

POSSIBLE CLOSED SESSION
******If approved by the TIDA Board, this Closed Session item will take place for approximately 30 minutes at the end of the meeting******

- Public Comment on all items relating to closed session
- Vote on whether to hold closed session to confer with legal counsel. *(Action item)*

10. CONFERENCE WITH REAL PROPERTY NEGOTIATOR
    Persons negotiating for the Authority: Annemarie Conroy, Jack Sylvan, Michael Cohen
    Persons negotiating with the Authority: United States Navy
    Property: Former Naval Station Treasure Island
    Under Negotiation: Price___ Terms____ Both X

11. Reconvene in open session *(Action item)*
    - Possible report on action taken in closed session under Agenda Item 10. (Government Code section 54957.1 (a) (2) and San Francisco Administrative Code Section 67.12)
    - Vote to elect whether to disclose any or all discussions held in closed session (San Francisco Administrative Code Section 67.12).
12. Discussion of Future Agenda Items by Directors (*Discussion Item*)
13. Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

MEETING AGENDAS NOW AVAILABLE ON E-MAIL

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In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City accommodate these individuals.

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

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TREASURE ISLAND WEBSITE

Check out the Treasure Island website at www.sfgov.org/treasureisland to find out about activities and facilities on Treasure Island, special events venues for rent, or to review the Treasure Island Development Authority's agendas and minutes.

Lobbyist Ordinance

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site http://www.sfgov.org/ethics/.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review.

For more information on your rights under the Sunshine Ordinance [Chapter 67 of the San Francisco Administrative Code] or to report a violation of the ordinance, contact Donna Hall by mail at Sunshine Ordinance Task Force at City Hall, Room 409, 1 Carlton B. Goodlett Place, San Francisco, CA 94102-4683. The Task Force's telephone and fax numbers are (415) 554-7724 and (415) 554-5163 (fax) or by email at Donna_Hall@sfgov.org. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Task Force, the San Francisco Public Library and on the City's website at www.sfgov.org/bdsupvrs/sunshine/ordinance.

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AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution Authorizing the Executive Director To Execute a First Amendment Extending the Term of the Sublease with Island Creative Management for Use of Building 2 Through December 31, 2004

Agenda Item No. ___
Meeting of May 12, 2004

Contact/Phone: Annemarie Conroy, Executive Director
Jack Sylvan, Director of Development
274-0660

BACKGROUND

On September 1, 1999, the Authority executed a sublease with Island Creative Management (Island Creative) to use Building 99 to build sets for television, film production, and special events. On December 31, 2002, the Authority executed a new sublease with Island Creative that involved relocation of Island Creative operations to Building 2, one of the historic hangars on Treasure Island. The relocation provided Island Creative additional space for their operation and allowed the Navy to conduct environmental remediation activities in Building 99, where Island Creative was located. The term of the Building 2 sublease was for 12 months and rent was set at $18,000 per month.

Island Creative has indicated a desire to continue subleasing Building 2 and staff is seeking Authority approval to execute a First Amendment extending the term of the sublease through December 31, 2004.

RECOMMENDATION

Staff recommends approval of the resolution authorizing the Executive Director to execute the First Amendment to the Sublease for Building 2 with Island Creative Management.

EXHIBITS

A First Amendment to Sublease Between Island Creative Management and TIDA

FILE NO. _____ RESOLUTION NO. _____

[Execution of First Amendment to Sublease for Building 2]

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A FIRST AMENDMENT TO THE SUBLEASE WITH ISLAND CREATIVE MANAGEMENT INC. FOR BUILDING 2 EXTENDING THE TERM THROUGH DECEMBER 31, 2004

WHEREAS, On May 2, 1997, the Board of Supervisors (the "Board") passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Tidelands Trust prohibits the sale of trust property into private ownership, generally requires that Tidelands Trust property be accessible to the public and encourages public-oriented uses of trust property that, among other things, attract people to the waterfront, promote public recreation, protect habitat and preserve open space; and

WHEREAS, In order to facilitate productive reuse of the Base, it may be beneficial for the Authority to lease or license property from the Navy and, in turn, sublease or sublicense such property to third-parties or use such property for municipal purposes; and

WHEREAS, on September 1, 1999, the Authority's Executive Director entered into a month-to-month sublease (the "Original Sublease") with Island Creative Management Inc. ("Subtenant") for the use of a portion of Building 99 (the "Initial Premises") for the building of sets used in television and film production; and

WHEREAS, the Authority Board acted from time to time to extend the term of the Original Sublease pursuant to the Rules and Procedures for Transfer of Real Property; and

WHEREAS, the Navy informed the Authority that environmental remediation activities needed to be conducted in and near Building 99 and it was desirable to have that facility unoccupied at the time those activities were scheduled to occur; and

WHEREAS, full environmental remediation of the base serves the goals of the Authority and is in the public interest of the City; and

WHEREAS, on December 31, 2002, the Authority's Executive Director entered into a Sublease with Island Creative Management for use of Building 2 at a monthly rental rate of Eighteen Thousand Dollars ($18,000) and a term of twelve (12) months; and

WHEREAS, Island Creative Management has expressed a desire to continue operations in Building 2; now therefore be it

RESOLVED, That the Board of Directors hereby authorizes the Executive Director to execute a First Amendment to the Sublease with Island Creative Management for use of Building 2 extending the term through December 31, 2004;

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on May 12, 2004.

_____
William Fazande

MUEBLERIA RECYCLED 80000 SERIES 30% P.C.W.

AMENDMENT TO SUBLEASE

between

THE TREASURE ISLAND DEVELOPMENT AUTHORITY

as Sublandlord

and

ISLAND CREATIVE MANAGEMENT LLC
as Subtenant

For the Sublease of

Building 2 at Naval Station Treasure Island
San Francisco, California

May __, 2004

AMENDMENT TO
TREASURE ISLAND SUBLEASE

THIS AMENDMENT TO SUBLEASE (the "Amendment"), dated as of this ___ of May, 2004, is by and between the Treasure Island Development Authority ("Sublandlord") and Island Creative Management, a Limited Liability Corporation ("Subtenant"). From time to time, Sublandlord and Subtenant together shall be referred to herein as the "Parties".

This Sublease is made with reference to the following facts and circumstances:

A. On December 30 2002, the Parties entered into that certain Sublease (the "Sublease") whereby Sublandlord subleased to Subtenant Building 2, together with a non-exclusive right to use certain parking areas adjacent thereto, all as more particularly shown on the map attached to the Sublease as Exhibit B (the "Premises").

B. The Parties wish to amend the Sublease by extending the term of thereof up to December 31, 2004 on the same terms and conditions contained in the Sublease.

NOW THEREFORE, Sublandlord and Subtenant hereby agree as follows:

1. Paragraph 3.1 of the Sublease is hereby amended in its entirety to read as follows:

"**Term of Sublease**. The term of this Sublease (the "Term") shall commence on December 31, 2002 (the "Commencement Date") and continue on a month-to-month basis not to exceed December 31, 2004. Either Party may, in its sole discretion, terminate this Sublease by giving thirty (30) days prior written notice to the other Party. Subtenant hereby acknowledges that the underlying Master Lease with the Navy currently is scheduled to terminate on September 3, 2004, and that Sublandlord anticipates but cannot guarantee that the Navy will extend the term of such Master Lease beyond the date of October 31, 2004. In the event that the Navy refuses to extend the term of the Master Lease, Subtenant agrees that this Sublease shall terminate on September 3, 2004.

Deleted: be for one year, which shall

Deleted: may be terminated by either party, for any reason and without liability for such termination, upon

Deleted: Notwithstanding the foregoing, this Sublease shall automatically terminate on December 30, 2003 (the "Upset Date") unless the Board of Directors of the Sublandlord approves a resolution extending the Term of this Sublease beyond the Upset Date."

Deleted:

2. Except as expressly amended in this Amendment, all other terms and conditions of the Sublease shall remain in full force and effect.

Sublandlord and Subtenant have executed this Amendment in triplicate as of the date first written above.

SUBTENANT:
Island Creative Management,
a Limited Liability Corporation

By: _____
Its: _____

SUBLANDLORD:
Treasure Island Development Authority

By: _____
Its: _____

Approved as to Form:

DENNIS J. HERRERA,
City Attorney

By_____
Deputy City Attorney

AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Agenda No: **Meeting Date:** 05/12/04

Subject: Resolution Authorizing the Executive Director to Extend the Term of the Use Permit with Laura Bertone of Pax Fluid Systems for Use of a Portion of Pier One Through December 31, 2004 (Action Item)

Staff Contact: Jack Sylvan, Director of Development
(415) 274-0660

BACKGROUND
In August 2001, the Authority issued a six-month Use Permit to Laura Bertone of Pax Fluid Systems for the use of 150 linear feet on the southern side of Pier One. Subsequently, in April 2002 the Authority approved a twelve-month extension of the term of the Use Permit. Pax Fluid Systems is a private company in the business of researching and designing efficient methods of propulsion. The 150-foot research vessel, named Chaleur, has been renovated from an old minesweeper to a research lab. Laura Bertone is the caretaker and owner of the vessel and a managing partner of Pax Fluid Systems.

Laura Bertone/Pax Fluid Systems pays the Authority $1,000 per month for use of the berthing space at Pier One, which does not impact the Authority's ability to utilize the Pier for other activities. Another key asset in having the Chaleur docked at Pier One is the ability to use the vessel's VHF and Single Side Band radios to assist in an emergency event.

Laura Bertone has requested an extension of the term of the Use Permit. Authority staff wish to retroactively extend the term of the Use Permit through December 31, 2004. All other terms and conditions of the agreement will remain the same.

RECOMMENDATION
Staff recommends approval.

EXHIBITS
A Amendment to Use Permit Between the TIDA and Laura Bertone of Pax Fluid Systems

[Extension of Use Permit with Laura Bertone]

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXTEND THE TERM OF THE USE PERMIT WITH LAURA BERTONE OF PAX FLUID SYSTEMS FOR USE OF A PORTION OF PIER ONE THROUGH DECEMBER 31, 2004.

WHEREAS, On May 2, 1997, the Board of Supervisors (the "Board") passed resolution No. 380-97 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single purpose entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation, and fisheries as to such property; and,

WHEREAS, The Tidelands Trust encourages maritime-oriented uses of trust property; and,

WHEREAS, In order to facilitate productive reuse of the Base, it may be beneficial for the Authority to lease or license property from the Navy and, in turn, sublease or sublicense such property to third-parties or use such property for municipal purposes; and,

WHEREAS, The Treasure Island Development Authority, ("Authority") and the United States Navy, ("Navy"), entered into a master lease on September 4, 1998, for the South Waterfront Area; and,

WHEREAS, The master lease enables the Authority to sublease portions of the master leased area for interim uses; and,

WHEREAS, On August 7, 2001, the Authority and Permittee entered into a six-month Use Permit (the "Permit") pursuant to which the Authority conferred to Permittee a personal, non-exclusive and non-possessory privilege to enter upon and use an area (the "Licensed Area") consisting of approximately 150 linear feet of space along the southern edge of Pier 1, and,

WHEREAS, On April 10, 2002, the Authority approved an extension of the Use Permit for an additional twelve months; and,

WHEREAS, the Authority is willing to retroactively extend the term of the Use Permit through December 31, 2004; now therefore be it

RESOLVED, that Treasure Island Development Authority Board of Directors hereby authorizes the Executive Director to extend the term of the Use Permit through December 31, 2004 and to execute an amendment to the Use Permit for such extension.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors at a properly noticed meeting on May 12, 2004.

_____

William Fazande, Secretary

RECYCLED
80000 SERIES
30% P.C.W.

AMENDMENT TO
USE PERMIT

THIS AMENDMENT TO USE PERMIT (this "Amendment") dated for reference purposes only as of January 29, 2002 is made by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY ("Authority") and Laura T. Bertone of Pax Fluid Systems, (Permittee").

RECITALS

WHEREAS, the Authority and Permittee entered into that certain Use Permit dated January 29, 2002 (the "Permit"), whereby the Authority conferred upon Permittee a personal, non-exclusive and non-possessory privilege to enter upon and use a portion of Pier 1 as depicted thereon in Exhibit B (the "Premises") attached to the Permit; and

WHEREAS, the Parties wish to amend the Use Permit to extend the term thereof up to December 31, 2004, subject to the terms and conditions of this Permit.

NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Authority and Permittee agree to amend the Permit as follows:

1. Paragraph 8 of the Permit is amended in its entirety to read as follows:

"8. **Term of Permit**. The privilege conferred to Permittee pursuant to this Permit shall begin at 6:00 a.m. on Monday, February 4, 2002 to use Piers 1 and continue on a month-to-month basis not to exceed December 31, 2004. Either Party may, in its sole discretion, terminate this Permit by giving thirty (30) days prior written notice to the other Party. Permittee hereby acknowledges that the underlying Master Lease with the Navy currently is scheduled to terminate on September 3, 2004, and that Sublandlord anticipates but cannot guarantee that the Navy will extend the term of such Master Lease beyond the date of September 3, 2004. In the event that the Navy refuses to extend the term of the Master Lease, Permittee agrees that this Permit shall terminate on September 3, 2004."

Deleted: shall automatically expire at 6:00 p.m. on Monday, July 1, 2002. Moreover, if the South Waterfront Lease terminates for any reason whatsoever, this Permit shall automatically terminate

2. Except as expressly amended in this Amendment, all other terms and conditions of the Permit shall remain in full force and effect.

Sublandlord and Subtenant have executed this Amendment in triplicate as of the date first written above.

PERMITTEE:
LAURA T. BERTONE

By: _____
Name:
Its: _____

By: _____
Name:
Its: _____

AUTHORITY:
TREASURE ISLAND DEVELOPMENT AUTHORITY

_____
Executive Director

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

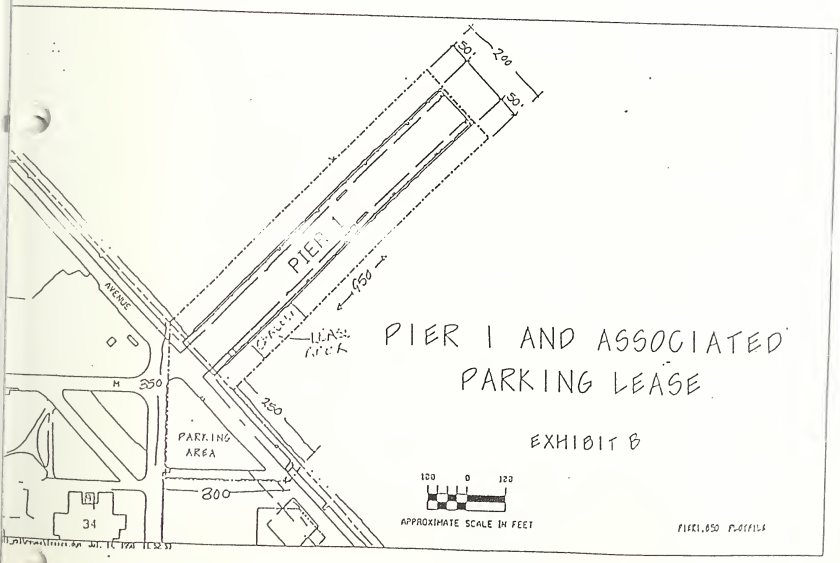
By _____
Deputy City Attorney

EXHIBIT

DESCRIPTION OF PREMISES

All that certain real property located on Treasure Island in San Francisco County, California, described as follows:

The permittee may enter and use Pier 1 for the sole purpose of berthing of the 150 foot marine research vessel and conducting marine related research in accordance with the Terms and Conditions of this Permit.



AGENDA ITEM

Treasure Island Development Authority

City and County of San Francisco

Agenda No: **Meeting Date:** 05/12/04

Subject: Resolution Authorizing the Executive Director to Execute a First Amendment Extending the Term of the Sublease with San Francisco Cup Class, LLC for a Portion of Pier 1

Staff Contact: Jack Sylvan, Director of Development
(415) 274-0660

SUMMARY OF PROPOSED ACTION

Staff requests approval to execute to a First Amendment to the Sublease with San Francisco Cup Class, LLC (SFCC) for a portion of Pier 1 which extends the term through October 31, 2004.

BACKGROUND

On September 1, 2003, the Treasure Island Development Authority entered into an eight (8) month, month-to-month sublease with the SFCC. SFCC utilizes approximately 19,000 square feet at the end of Pier 1 to store older America's Cup Class boats. During the late Spring and Summer months, the space is also used as a staging area to support the Challenge Series, a series of yacht races on San Francisco Bay. The rent is $3,800 per month, a rate consistent with pier rental rates at properties leased by the San Francisco Port Authority.

SFCC has requested an extension of the term of the month-to-month sublease through October 31, 2004, which covers the period of the summer racing series.

RECOMMENDATION

Staff recommends approval.

EXHIBITS

A First Amendment to Sublease between the Treasure Island Development Authority and the San Francisco Cup Class for a portion of Pier 1.

[First Amendment to Sublease with San Francisco Cup Class LLC]

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A FIRST AMENDMENT TO EXTEND THE TERM OF THE SUBLEASE WITH THE SAN FRANCISCO CUP CLASS, LLC (SFCC) FOR A PORTION OF PIER 1 AT THE SOUTH WATERFRONT AREA OF TREASURE ISLAND.

WHEREAS, On May 2, 1997, the Board of Supervisors (the "Board") passed resolution No. 380-97 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single purpose entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation, and fisheries as to such property; and,

WHEREAS, The Tidelands Trust encourages public-oriented uses of trust property that, among other things, attract people to the waterfront, promote public recreation, protect habitat and preserve open space; and,

WHEREAS, In order to facilitate productive reuse of the Base, it may be beneficial for the Authority to lease or license property from the Navy and, in turn, sublease or sublicense such property to third-parties or use such property for municipal purposes; and,

WHEREAS, The Treasure Island Development Authority, ("Authority") and the United States Navy, ("Navy"), entered into a master lease on September 4, 1998, for the South Waterfront Area; and,

WHEREAS, The master lease enables the Authority to sublease portions of the master leased area for interim uses; and,

WHEREAS, On September 1, 2003, the Authority entered into an eight (8) month month-to-month sublease with the San Francisco Cup Class LLC for use of a portion of Pier 1 for storage and operations to facilitate its organization of an America's Cup boat racing series on San Francisco Bay, and,

WHEREAS, The SFCC has expressed a desire to extend the term of the month-to-month sublease for an additional six (6) months; now therefore be it

RESOLVED, that Treasure Island Development Authority Board of Directors hereby authorizes the Executive Director to execute a First Amendment to the

Sublease extending the term of the month-to-month sublease with the SFCC through October 31, 2004.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors at a properly noticed meeting on May 12, 2004.

_____

William Fazande, Secretary

RECYCLED
80000 SERIES
30% P.C.W.

FIRST AMENDMENT TO SUBLEASE

between

THE TREASURE ISLAND DEVELOPMENT AUTHORITY

as Sublandlord

and

SAN FRANCISCO CUP CLASS LLC
d.b.a. THE CHALLENGE - SERIES
as Subtenant

For the Sublease of

A Portion of Pier 1 at Naval Station Treasure Island
San Francisco, California

May __, 2004

FIRST AMENDMENT TO
TREASURE ISLAND SUBLEASE

THIS FIRST AMENDMENT TO SUBLEASE (the "Amendment"), dated as of this ___ of May, 2004, is by and between the Treasure Island Development Authority ("Sublandlord") and San Francisco Cup Class, LLC, a limited liability company, d.b.a. The Challenge - Series ("Subtenant"). From time to time, Sublandlord and Subtenant together shall be referred to herein as the "Parties".

This Sublease is made with reference to the following facts and circumstances:

A. Sublandlord and Subtenant entered into that certain month-to-month Sublease dated September 1, 2003 (the "Sublease") for an area on Treasure Island consisting of approximately 19,000 square feet by the southeasterly end of Pier 1 (the "Pier 1 Area"), as shown in the dashed-line area on the map attached as Exhibit B to the Sublease (collectively, the "Premises").

B. Sublandlord and Subtenant wish to extend the maximum term of the Sublease to October 31, 2004.

NOW THEREFORE, Sublandlord and Subtenant hereby agree amend the Sublease as follows:

1. Paragraph 3.1 of the Sublease is hereby amended to read as follows:

"Term of Sublease. The term of this Sublease (the "Term") shall be on a month-to-month basis not to exceed October 31, 2004. Subtenant hereby acknowledges that the underlying Master Lease with the Navy currently is scheduled to terminate on September 3, 2004, and that Sublandlord anticipates but cannot guarantee that the Navy will extend the term of such Master Lease beyond the date of October 31, 2004. In the event that the Navy refuses to extend the term of the Master Lease, Subtenant agrees that this Sublease shall terminate on September 3, 2004.

Deleted: a total of eight (8) months, beginning on September 1, 2003 (the "Commencement Date")

2. Except as expressly amended in this Amendment, all other terms and conditions of the Sublease shall remain in full force and effect.

Sublandlord and Subtenant have executed this Sublease in triplicate as of the date first written above.

SUBTENANT:

San Francisco Cup Class, LLC,
a limited liability company

By:

Its: _____

SUBLANDLORD:
Treasure Island Development Authority

By: _____

Its: _____

Approved as to Form:

DENNIS J. HERRERA
City Attorney

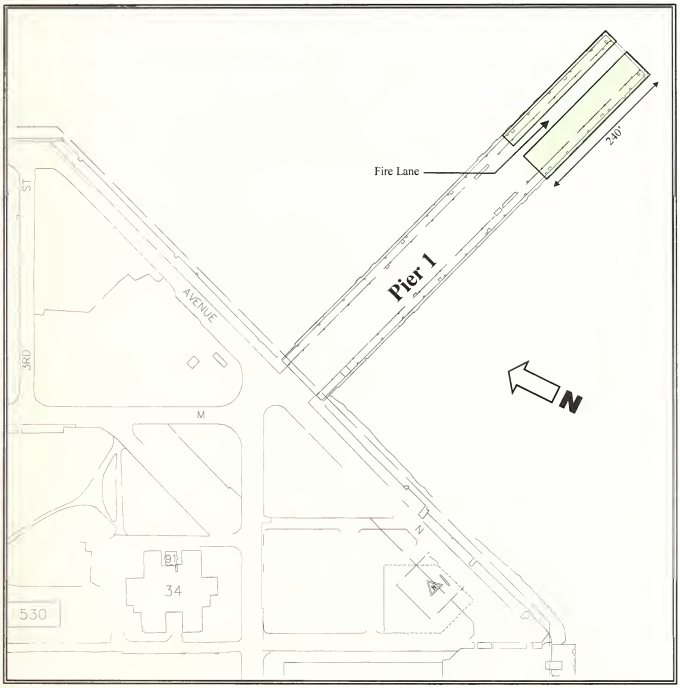
_____
Deputy City Attorney

80000 SERIES
RECYCLED ® 30% P C W.

EXHIBIT B

DRAWING OF PREMISES

SFCC Premises



AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution Authorizing the Executive Director To Execute a First Amendment Extending The Term of the Sublease with the Treasure Island Homeless Development Initiative for Use of Building 497 through December 31, 2005 (Action Item)

Agenda Items No. ____
Meeting of May 12, 2004

Contact/Phone: Annemarie Conroy, Executive Director
Tina Pasco, Project Administrator
(415) 274-0660

SUMMARY OF PROPOSED ACTION:
Staff requests authorization to enter into a First Amendment to a Sublease with the Treasure Island Homeless Development Initiative (TIHDI) for use of Building 497, known as the Ship Shape, to retroactively extend the term through December 31, 2005.

BACKGROUND:
On February 20, 2002 the Authority executed a month-to-month sublease with the Treasure Island Homeless Development Initiative (TIHDI) for use of Building 497, commonly referred to as the Ship Shape, which is located on Avenue M and 11th Street on Treasure Island. On September 11, 2002 the Authority approved a resolution extending the term of the sublease for an additional six months to expire on August 25, 2002.

Currently, Building 497 serves as a food pantry and provides a central location for other TIHDI programs including: support groups (e.g., Alcoholics Anonymous & Narcotics Anonymous), community meetings and small community events, workshops, health screenings, and resident activities for children (e.g., Boys and Girls Club) and adults. The YMCA also holds weekly aerobics and yoga classes in the building.

RECOMMENDATION:
Building 497 serves an important role in the provision of support services to TIHDI and its resident population. Therefore, staff recommends approval to enter into a First Amendment to the Sublease with TIHDI to extend the term through December 31, 2005.

EXHIBIT:
A First Amendment to Sublease Between TIDA and TIHDI for Building 497

[Execution of First Amendment to Building 497 Sublease]

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A FIRST AMENDMENT TO THE SUBLEASE WITH THE TREASURE ISLAND HOMELESS DEVELOPMENT INITATIVE FOR USE OF BUILDING 497 EXTENDING THE TERM THROUGH DECEMBER 31, 2005.

WHEREAS, On May 2, 1997, the Board of Supervisors (the "Board") passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, THE Authority and the United States of America, acting by and through the Department of the Navy entered into a Master Lease on April 5, 1999 for use of Building 497 commonly referred to the Ship Shape Building; and,

WHEREAS, The Master Lease enables the Authority to sublease the leasehold premises for interim use; and,

WHEREAS, The Treasure island Homeless Development Initiative ("TIHDI) requested use of Building 497 to house a food pantry and to serve as space for support services (i.e.,

support groups, community meetings and events, workshops, health screenings, and resident children and adult activities); and,

WHEREAS, The Authority executed a month-to-month sublease with TIHDI on February 20, 2002 for use of Building 497; and

WHEREAS, On September 11, 2002 the Authority approved an extension to the term of the Sublease through August 25, 2002; and

WHEREAS, The Subtenant has requested an extension of the sublease through December 31, 2005; and,

WHEREAS, The Authority has determined that TIHDI's continued use of Building 497 will provide a location for important support services to the residents of Treasure Island; now, therefore, be it

RESOLVED, that the Board of Directors hereby authorizes the Executive Director to execute a First Amendment to the sublease for use of Building 497 retroactively extending the term through December 31, 2005.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on May 12, 2004.

_____

William Fazande, Secretary

RECYCLED
80000 SERIES
30% P.C.W.

AMENDMENT TO SUBLEASE

between

THE TREASURE ISLAND DEVELOPMENT AUTHORITY

as Sublandlord

and

TREASURE ISLAND HOMELESS DEVELOPMENT INITIAVIE

as Subtenant

For the Sublease of

Building 497 at Naval Station Treasure Island
San Francisco, California

May __, 2004

AMENDMENT TO
TREASURE ISLAND SUBLEASE

THIS AMENDMENT TO SUBLEASE (the "Amendment"), dated as of this __ day of May, 2004, is by and between the Treasure Island Development Authority ("Sublandlord") and Treasure Island Homeless Development Initiative, a California Non-Profit Corporation ("Subtenant"). From time to time, Sublandlord and Subtenant together shall be referred to herein as the "Parties".

This Sublease is made with reference to the following facts and circumstances:

A. The Parties entered into that certain Sublease (the "Sublease") dated February 20, 2002, whereby Sublandlord subleased to Subtenant Building 497 (the "Building") on Treasure Island, together with a non-exclusive right to use certain parking areas adjacent thereto, all as more particularly shown on the map attached to the Sublease as Exhibit B (the "Premises").

B. The Parties wish to amend the Sublease to extend the term thereof up to December 31, 2005 on the same terms and conditions contained in the Sublease.

NOW THEREFORE, Sublandlord and Subtenant hereby agree as follows:

1. Paragraph 3.1 of the Sublease is hereby amended in its entirety to read as follows:

"3.1 Term of Sublease. The term of this Sublease (the "Term") shall commence on February 25, 2002 (the "Commencement Date") and continue on a month-to-month basis not to exceed December 31, 2005. Either Party may, in its sole discretion, terminate this Sublease by giving thirty (30) days prior written notice to the other Party. Subtenant hereby acknowledges that the underlying Master Lease with the Navy currently is scheduled to terminate on December 31, 2004, and that Sublandlord anticipates but cannot guarantee that the Navy will extend the term of such Master Lease beyond the date of December 31, 2004. In the event that the Navy refuses to extend the term of the Master Lease, Subtenant agrees that this Sublease shall terminate on December 31, 2004."

Deleted: be on a month-to-month basis, and shall

Deleted: , may be terminated by either party, for any reason and without liability for such termination, upon

Deleted: Notwithstanding the foregoing, this Sublease shall automatically terminate on August 25, 2002 (the "Upset Date") unless the Board of Directors of the Sublandlord approves a resolution extending the Term of this Sublease beyond the Upset Date

2. Except as expressly amended in this Amendment, all other terms and conditions of the Sublease shall remain in full force and effect.

Sublandlord and Subtenant have executed this Amendment in triplicate as of the date first written above.

SUBTENANT:
Treasure Island Homeless Development Initiative
a California Nonprofit Corporation

By: _____
Its: _____

SUBLANDLORD:
Treasure Island Development Authority

By: _____
Its: _____

Approved as to Form:

DENNIS J. HERRERA,
City Attorney

By_____
Deputy City Attorney

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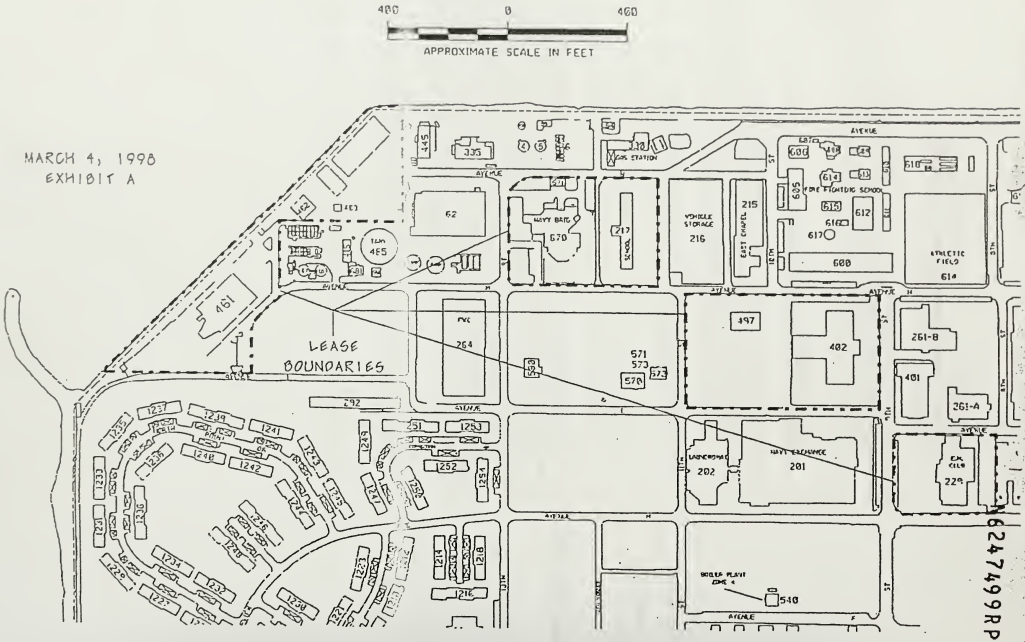
6247499RP00B08

MARCH 4, 1998
EXHIBIT A



AGENDA ITEM
Treasure Island Development Authority
City and County of San Francisco

Subject: Resolution Authorizing the Executive Director To Off-set the Value of Storage Space in Building 62 Used by the City's Department of Public Works Against Services Provided to Treasure Island by DPW

Agenda Item No. ___
Meeting of May 12, 2004

Contact/Phone: Annemarie Conroy, Executive Director
Jack Sylvan, Director of Development
274-0660

BACKGROUND

The Department of Public Works (DPW) has utilized a portion of Building 62 as storage space for blueprints since February 2000 via a Memorandum of Understanding between the City and County of San Francisco, acting by and through its DPW, and the Treasure Island Development Authority. The terms of the MOU set Base Rent at $812.50 per month, in addition to associated CAM charges, and allows DPW to apply any rent due and owing under the agreement against any amounts due DPW from the Authority for services provided by DPW in support of the interim use of Treasure and Yerba Buena islands.

DPW desires to continue using the space in Building 62. Authority staff are seeking TIDA Board approval to enter into written agreements between the Authority and DPW, in consultation with the City Attorney, necessary to effectuate an off-set of DPW charges to TIDA against use of Building 62.

RECOMMENDATION

Staff recommends approval.

[Authorizing an off-set with City's Department of Public Works for use of Building 62.]

Resolution authorizing the Executive Director to off-set the value of storage space in Building 62 used by the City's Department of Public Works against services provided to Treasure Island by such Department.

WHEREAS, the Department of Public Works for the City and County of San Francisco ("DPW") has used and continues to use a portion of Building 62 on Treasure Island for purposes of storing blueprints; and

WHEREAS, DPW performs services at Treasure Island and Yerba Buena Island in support of the interim use of the property and the Treasure Island Development Authority pays DPW; and,

WHEREAS, the Authority wishes to authorize the Executive Director to off-set the value of such storage space against the costs of DPW's services on Treasure Island and Yerba Buena Island; now, therefore, be it

RESOLVED, That the Executive Director is hereby authorized to off-set the value of DPW's use of a portion of Building 62 (including any Common Area Maintenance charges) against the cost of services provided to the Authority; and, be it

FURTHER RESOLVED, That the Executive Director is hereby authorized to enter into such written agreements as the Executive Director, in consultation with the City Attorney, deem necessary to effectuate the intent of this resolution.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on May 12, 2004.

_____

William Fazande, Secretary

Notes

[Establishing an Ad Hoc Nominating Committee.]

Resolution establishing an ad hoc nominating committee, consisting of two members of the Treasure Island Development Authority ("TIDA") Board of Directors appointed by the President, to nominate members of the TIDA Board to serve as officers of the TIDA Board in accordance with the TIDA Bylaws.

WHEREAS, Under the TIDA Bylaws, officers of the Board of Directors (the "Board") are to be chosen annually; and

WHEREAS, The TIDA Bylaws allows the Board to create one or more committees consisting of two or more Directors to serve at the pleasure of the Board; and,

WHEREAS, The Board wishes to establish an ad hoc nominating committee to recommend for the Board's approval Directors to serve as officers of the Board for the next year; and,

WHEREAS, The Board wishes such ad hoc nominating committee to be comprised of two Directors appointed by the President of the Board; now, therefore, be it

RESOLVED, That the Board hereby establishes an ad hoc nominating committee to be comprised of two Directors appointed by the President of the Board; and, be it

FURTHER RESOLVED, That such nominating committee shall nominate Directors as candidates for the Board's consideration and election at the Board's regular meeting on June 9, 2004, to serve as President, Vice President, Secretary, and Chief Financial Officer of the Board for the twelve (12) month period beginning July 1, 2004 and ending on June 30, 2005; and, be it

FURTHER RESOLVED, That the Board hereby urges any Directors who are interested in serving as an officer of the Board to submit their names to the Executive Director for forwarding to the nominating committee for consideration; and, be it

FURTHER RESOLVED, That the Board recommends and urges the Executive Director to work with the members of the ad hoc nominating committee to establish a meeting date, time, and place in accordance with the San Francisco Sunshine Ordinance and the Ralph M. Brown Act at which meeting the ad hoc nominating committee will determine by unanimous vote of the members of the ad hoc nominating committee which Directors to nominate as officers of the Board as described hereinabove; and be it

FURTHER RESOLVED, That upon the Board's election of officers in accordance with the TIDA Bylaws, the ad hoc nominating committee shall cease to exist.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on May 12, 2004.

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William Fazande, Secretary

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CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
410 AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFGOV.ORG/TREASUREISLAND

GAVIN NEWSOM, MAYOR

DRAFT Minutes of Meeting
Treasure Island Development Authority
May 12, 2004

City Hall, Room 400
1 Carlton B. Goodlett Place
San Francisco, CA

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1. Call to Order: 1:45 PM

Roll Call Present: Claudine Cheng (Chair)
John Elberling
Monique Moyer
Susan Po-Rufino
Marcia Rosen

Excused: William Fazande (Vice-Chair)
Douglas Wong

2. Director's Report by Executive Director Annemarie Conroy
Access and Public Use of Treasure Island: 100 private parties occurring over the next year. Many rugby and soccer teams using sports fields, Korean Chamber of Commerce held its annual picnic with 1,500 attendees. Cross Christian Center holds regular services in the Chapel. AIDS Lifecycle using Treasure Island as a staging area for its 6 day event.
Environmental Cleanup: Working through ESCA issues with DTSC and the US Navy. Geomatrix reviewed CH2M Hill proposals for Guaranteed Fixed Price Contract
Short Term Leases: No new short-term leases
San Francisco/Oakland Bay Bridge Issues: Continue to work with CalTrans over replacement of Eastern span of Bay Bridge and especially submarine cable to Treasure Island.
Community Issues: Community meeting on April 21 very well attended. Went over budget issues, MUNI 108 issues and other issues of concern to residents such as a community bulletin board, better coordination of recreational opportunities through TIHDI and John Stewart Company. Gymnasium renovation progressing well, looking to work out operation and programming issues for use of gymnasium.
TIHDI: Sherry Williams can report on any new TIHDI developments
Finance Report: Working with Ben Rosenfeld and Steve Kawa on TIDA budget issues

Legislation and Hearings Affecting Treasure Island: Tidelands Trust exchange has made its way through the State Senate and is now being heard by the State Assembly.

3. Communications
There were no communications received

4. Report by Treasure Island/Yerba Buena Island Citizens Advisory Board: Ms. Karen Knowles-Pearce, CAB Chair, stated that in May the CAB had a presentation by CalTrans on East Span of the Bay Bridge. Personally she was disappointed in that they didn't talk more about Treasure Island on and off ramps. Second presentation was by Dave Snyder, Transportation for a Livable City, who imparted ideas for more walking and bike paths on the Island and eliminate encouragement for cars on the Island.

5. Ongoing Business by Directors
There was no ongoing business discussed by the Directors

6. General Public Comment
There was no general public comment

7. Consent Agenda
Executive Director Conroy requested that Items B, C, D and E be removed from the Consent Agenda
Commissioner Moyer requested that Item A be removed

There was no public comment on Item F

Commissioner Rosen motioned for approval of Item F
Commissioner Po-Rufino seconded the motion
The item was approved unanimously

7A. Commissioner Moyer noted that the minutes of April 14, 2004 were incomplete in that it did not note what the CAB chair reported regarding the CAB meeting for April.

There was no public comment on this item

Commissioner Moyer motioned to continue the minutes until the next meeting
Commissioner Cheng seconded the motion
The minutes were continued to the next meeting unanimously

Executive Director Conroy stated that some of the leases before the board have expired and severe understaffing in the TIDA office has caused some of the leases to expire, and the leases run into month-to-month after that. None of the tenants are in arrears or anything like that, all tenants have been paying rent and are good tenants, Authority is acknowledging that they are retroactive and prospective as well.

7B. Jack Sylvan, TIDA Director of Development, presented an extension of the term of the contract with Island Creative Management for the use of Building 2. Staff asking for the term of sublease be retroactively extended through the end of this year. Not getting tremendous interest from other potential tenants for the hangars.

Commissioner Rosen stated that it would be prudent for staff to review the language of leases to make sure that all lease language reflects that at the end of the term leases become month-to-month, and are not terminated.
Deputy City Attorney Donnell Choy stated that even though there is no formal ratification of an extension yet, since the tenant submitted their rent and the Authority accepted it those actions superceded the termination of the lease.
Commissioner Rosen stated that this may be the case but it would be a good idea to get leases into a calendar year or fiscal year schedule.

Commissioner Elberling requested an updated list of all the leases and their start and expiration date.

There was no public comment on this item

Commissioner Rosen motioned for approval of this item
Commissioner Moyer seconded the motion
The item was approved unanimously

7C. Jack Sylvan, TIDA Director of Development, presented an extension of the term of the use-permit with Laura Bertone for the use of berthing space at Pier 1 for a research vessel. Staff asking for the term of the use permit be retroactively extended through the end of this year.

There was no public comment on this item

Commissioner Rosen motioned for approval of the item
Commissioner Po-Rufino seconded the motion
The item was approved unanimously

7D. Jack Sylvan, TIDA Director of Development, presented an extension of the term of the sublease with San Francisco Cup Class for the use of Pier 1 for storage of racing vessels. Staff asking for the term of the use permit be retroactively extended through October, 2003. S.F. Cup Class is operating under a summer schedule and they are not sure their status at the end of the summer months, which is why the extension only goes through October.

There was no public comment on this item

Commissioner Rosen motioned for approval of the item with a minor amendment to the resolution to add "retroactive" to the term of the sublease
Commissioner Moyer seconded the motion
The item was approved unanimously

7E. Jack Sylvan, TIDA Director of Development, presented an extension of the term of the sublease with TIHDI for use of Building 497. Building 497 is the ShipShape Building used for recreation and community activities. Term extension is through December 31, 2005.

Commissioner Rosen asked why the term ends on December 31, 2005. Stated that it seems like there should be a longer term if the building is still going to be in use.
Executive Director Conroy stated that the Lease with the Navy only goes through 2005.
City Attorney Donnell Choy stated that language could be added to allow the sublease to continue on a month-to-month basis after December 31, 2005 until cancelled by the TIDA Board.

Ms. Sherry Williams, Executive Director of TIHDI, stated that there is a food pantry, aerobics and dance programs, community space, support groups, and is seen to be a place to house future community resources. Acknowledged Executive Director Conroy's work on the renovation and issues surrounding the renovation of the gymnasium.

Commissioner Elberling asked if TIHDI had a chance to formulate how they are going to use their sharing agreement funds
Ms. Williams stated that she would have that information at the next meeting.

Commissioner Rosen motioned for approval of the item with a minor amendment that instead of terminating the lease in December, 2005 it will move to a month-to-month sublease after that point until cancelled by TIDA
Commissioner Cheng seconded the motion
The item was approved unanimously

8. Deputy City Attorney Donnell Choy stated that the TIDA bylaws contemplate that officers be elected on an annual basis, based on the establishment of a nominating committee to make nominations for officers.

There was no public comment on this item

Commissioner Elberling motioned for approval of the resolution with an amendment to the resolution making it a 3 member committee
Commissioner Moyer seconded the motion
The item was approved unanimously

Commissioner Cheng appointed Commissioners Elberling, Po-Rufino and Fazande to serve on the nominating committee

9. Mr. Jack Sylvan, TIDA Deputy Director, gave an update on the master redevelopment schedule for Treasure Island. Many pieces within property transfer phase because TIDA does not always control the timing of many of these mechanisms. Staff is optimistic that a conveyance agreement with Navy can be finalized by the end of this year, subject to Navy working cooperatively with TIDA staff. Programmatic EIR supports conveyance of property from US Navy and looks at 3 alternatives of range of usages on Island. The EIR process is being

led by the Planning Department and has taken longer than expected due to numerous comments on the draft EIR.
Tidelands Trust exchange legislation has passed Senate and is in the Assembly. Legislation, when passed, will not be effective until January, 2005. From there State Lands Commission negotiates terms of exchange. These negotiations happen in context of negotiations with master developer. Now ready, based on information from studies, to move into a phase of refining conceptual land-use plan in the context of a pro-forma based negotiation with master developer. This negotiation will assist with conversations with Navy. Working on a term sheet to bring to CAB and TIDA Board, will include various pieces of plan including land use plan and affordable housing plan. Intention is to seek policy guidance from CAB and TIDA regarding discreet issues as they come up. Assuming TIDA Board approves this term sheet it will then go to the Board of Supervisors. Important to note that they way the process is structured is consistent with the recommendations set forth by the CRC in order to do the planning in conjunction with master developer planning. General Plan amendment happens in tandem with the redevelopment plan, not quite sure where these different pieces happen. An important piece of this process is additional environmental review, required by CEQA, in order to support the Disposition and Development Agreement and the General Plan Amendment. This review will be much more detailed in respect to transportation and land-use aspects as these plans get more specific. Roughly fall or early winter of 2005 the TIDA Board will be presented with the DDA and General Plan amendment and redevelopment plan, after which these plans will be presented to the Board of Supervisors.

Commissioner Rosen asked if the preliminary plan has already been adopted
Mr. Sylvan stated that it has been adopted in 1999

Commissioner Elberling stated that additional environmental review is important and he would like to see additional CEQA work and the other major plans necessary before project is finalized. Also stated he wants to see a plan as to the future resources necessary for the TIDA office to be viable and where this funding will come from.
Executive Director Conroy stated that staff has been working on this planning with the potential developer.
Mr. Sylvan stated that a transportation plan should be laid out in mitigation measures in the Programmatic EIR
Commissioner Elberling stated the Board still needs to know solid details about transportation and mitigation plans and their costs before making a deal with any potential developer.

Commissioner Rosen stated that the vehicles for mitigation measures will be available in EIR. Necessary to then determine how to implement these measures and whom to hold legally responsible.
Commissioner Elberling stated that he feels that EIRs are generalities and he is trying to push plans that are "to be developed" to the front to allow them to be cost-out ahead of time.
Commissioner Rosen stated that mitigation measures are required in a certified EIR and until there is a certified EIR you cannot have plans in order to "flesh out" proper mitigation measures for the area.

Commissioner Moyer asked if the master developer is working on sorting out these issues

Mr. Sylvan stated that negotiations have started at the pro forma level and there is anticipated ferry and bus service as well as an on-Island jitney.

Public Comment
Ms. Eve Bach, ARC Ecology, stated that the EIR is only part of the problem, there are many transportation policy issues that need to be addressed. Stated she hopes that the Board makes arrangements to avoid making land-use planning, affordable housing planning and other types of planning decisions in closed session. Stated she believes that General Plan in there as an afterthought in this process.

10. There was no public comment on the proposed closed session

Commissioner Rosen motioned to take the TIDA Board into closed session
Commissioner Po-Rufino seconded the motion
The TIDA Board went into closed session at 2:58 PM

11. The TIDA board reconvened in open session at 3:45 PM
Commissioner Po-Rufino motioned to not disclose what was discussed in closed session
Commissioner Rosen seconded the motion
The Board voted to not disclose what was discussed in closed session

12. There was no future business discussed by Directors

13. Commissioner Cheng motioned for adjournment
The meeting adjourned at 3:49 PM

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